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THE CREDITOR WHO WROTE FOR PAYMENT  
OF A LONG OVERDUE ACCOUNT  
AND THE REPLY HE RECEIVED!

Dear Sir—  
At the end of every  
month I place all my  
unpaid accounts on a  
table in a pile, shuffle  
em;—then I draw six  
out. These six are paid  
if I have any more of  
your impudence you  
won't be in the shuffle;  
at all next month!  
Yours—N. B. Sc.

# Successful Collection Letters

BY

WILLIAM H. BUTTERFIELD

*Educational Director and Editor of Better Letters Service*

*National Retail Credit Association, St. Louis, Missouri*

*Formerly Chairman of Department of Business*

*Communication, The University of Oklahoma*

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**SUCCESSFUL COLLECTION LETTERS**

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## FOREWORD

### *The Businessman's "Blind Spot"*

THIS little volume is perhaps the shortest treatment of collection letters that has been put into book form; certainly it is the most unorthodox. Its arrangement does not follow any standard pattern. You will not find the customary divisions of its content into sections labeled Mercantile Collections, Retail Collections, and Installment Collections. Nor will you find the usual chapter headings dealing with Duplicate Statements, Collection Stickers, Simple Reminders, Discussion Letters, Urgent Appeals, and "Final" Letters.

Instead, the central theme of the pages that follow is "ordinary common sense" in collection writing. After examining some five thousand collection letters, I have concluded that this oft-used term is sometimes completely illogical—for "sense" in collection writing appears to be neither "ordinary" nor "common." On the contrary, all the evidence indicates that it is amazingly "uncommon." Effective collection letters are as hard to find as Republicans in the Solid South; in fact, the ratio is about the same—7 in every 100.

Hard to believe, isn't it? But it's true if the collection specimens in my files are a fair sampling, and I believe they are. These letters represent every state in the

## FOREWORD

Union, almost every conceivable type of business, and every stage in the collection follow-up of mercantile, retail, and installment accounts. Just think of it—93% of them miss the mark by distances ranging from a few inches to a country mile. Only 7 bull's-eyes are scored in every 100 attempts. Pretty poor marksmanship, isn't it?

There are few other aspects of American business, if any, that are not handled with greater efficiency than collections by mail. Most concerns would fire any salesman whose work was not more productive and constructive than the collection correspondence which these same organizations mail to their customers year in and year out. Business executives are quick to recognize poor performance when it shows up in the sales slips (or lack of them) or in the percentage of merchandise returns, but often they overlook it completely when it takes the form of totally ineffectual mail collection methods. And yet this latter weakness is frequently even more disastrous than faulty selling. Although some business is lost when a salesman fails to clinch a sale, the customer at least remains a potential source of future profit. But, when a blundering collection effort destroys a patron's feeling of friendliness toward an organization, transforming goodwill into resentment and antagonism, an avenue of future business becomes a dead-end street. The offending firm has lost the customer to a competitor. Where could inefficiency be more costly?

Can you explain this blind spot in the vision of many business executives whose foresight has carried them to the responsible positions they occupy today? I can't—unless they delegate to subordinates a task that they regard as purely routine and then dismiss the details

## FOREWORD

of the collection problem from their minds in order to concentrate full attention upon the ways and means of gaining new customers and selling more goods to old ones. If this is the explanation, the executives are no less guilty than the correspondents who "sandpaper" satisfied customers into a state of acute belligerence in one abrasive collection treatment. Call it "contributory negligence" or "aiding and abetting an assault with a deadly weapon," for a collection letter can be deadly indeed in its effect upon customer mortality.

I'll venture to say that many a businessman could spend a profitable day tomorrow examining the collection correspondence that represents his firm each month. I'll even predict that such a review would result in widespread amazement and consternation on many business fronts. For men whose keen insight and sound business judgment have carried them to the top rung of the commercial ladder couldn't overlook the utter folly of jeopardizing—quite unnecessarily—customer goodwill that has been cultivated at great cost in terms of money, effort, and time.

Yet this blunder is being committed six days a week in forty-eight states. Countless business concerns all over the country spend millions of dollars to convert prospects into customers; then these firms provide innumerable conveniences and extra services at great expense to win the goodwill of their newly acquired customers; and finally, these self-same organizations defeat all their constructive efforts in one swift stroke by mailing a barrage of stinging collection darts that leave their customers smarting with resentment. What a study in futility—the sales-promotion department working at top speed to round up new customers for the collection

## FOREWORD

department to shoot down with one lightning epistolary stroke. It reminds me of another time-honored custom—that of providing a sumptuous repast for the condemned man just before his execution.

And so this little book is aimed at one of the most costly weak spots in American business management—a weak spot that nine organizations out of ten need to strengthen. Of course, it's necessary to collect past-due accounts if one intends to remain in business. Customers are of no value unless they pay for what they buy. But the man who said "There are more ways than one to skin a cat" might have applied the same observation to the writing of collection letters. One method gets the money and loses the customer. Another gets the money and keeps both the customer and his goodwill. Which does your firm use?

WILLIAM H. BUTTERFIELD.

NORMAN, OKLA.,  
*August, 1941.*

## A WORD OF APPRECIATION

**T**HIS little book is of such a nature that its completion required the co-operation of many persons who are actively engaged in credit and collection work. Most of the two hundred illustrations presented in the following chapters were made available through the generous help of credit executives, editors of commercial periodicals, officers of national credit organizations, publishers of business books, direct-mail advertising executives, letter counselors, and college instructors in business correspondence.

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The author is deeply grateful to these persons for contributing of their time and effort to extend a helping hand. This book is the product of their co-operation and their interest in a problem of paramount importance to American business.

WILLIAM H. BUTTERFIELD.



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# A Strangle Hold

A forgetful bachelor found this "stiff" collection letter in a package of laundry that had been left at his door by the neighborhood washwoman:

DEAR SIR:

You have owed me six dollars now for four months. If you do not pay the whole by next week, I will put too much starch in your collars.

Cordially,

*Mrs. Smith*

# Information, Please

MR. JOHN BLANK  
123 *Blank Avenue*  
BLANKVILLE, U.S.A.

*Dear Mr. Blank:*

How do you collect your old bills?

We would like to know because then we would try the same thing on you.

Here's a little bill of February 6 that we have been writing you about.

If you don't send us a check now, tell us how we can get one—will you, please?

We are interested to know just how you go about it.

Yours very truly,

*Arthur L. Stang*

THE CRACKER JACK CO.

**SUCCESSFUL  
COLLECTION LETTERS**



## I

### *Penny Wise and Pound Foolish*

**N**OT long ago a friend strode into my office waving a letter in his hand. "You're interested in collection letters," he said, "so have a look at this one." The paragraph to which he pointed read something like this:

Proper attention to this obligation would have resulted in its payment several weeks ago. Since we feel sure that you are amply able to pay this small amount, we cannot understand your unco-operative attitude. Frankly, now, just what do you intend to do about the matter?

"I guess they just don't want any more of my business," he volunteered when I had finished reading the letter. "At any rate, they've just persuaded me to give it to somebody else."

Recently another of my associates became so incensed over a curt collection letter that his check in payment of the bill was accompanied by a note asking that his account be closed. The volume of his purchases from the offending concern had exceeded \$800 during the preceding year, whereas the extent of his unpaid bill at the moment was \$13.10.

## SUCCESSFUL COLLECTION LETTERS

While this chapter was in a formative stage, a third acquaintance contributed to my letter file a specimen that contained this paragraph:

Our records show that your account, amounting to \$31.65, is still unpaid. Since your remittance is now two months past due, we must insist upon your check by return mail.

While we dislike to become disagreeable, we would remind you that we must also pay for what we buy. Unless you and our other delinquent accounts pay us, we too will be getting letters just as unpleasant as this one.

And so it goes. Every day firms throw away business that they have spent much time and money in cultivating. It takes months, and often years, to win a customer—but only a minute to offend and alienate him.

Of course, you may have concluded from the examples just cited that my friends are either “dead beats” or “chronic crabs.” I don’t believe so. They are just typical human beings, actuated by perfectly normal impulses and susceptible to the universal fault of forgetfulness. They comprise one small but representative cross section of the millions known as “average” customers. Both their reactions and their faults are duplicated each day by countless thousands of persons the nation over.

The ease with which one may acquire examples of blunt, tactless collection letters is a sad commentary on the capacity of many collection correspondents for the positions that they occupy but do not fill. No firm, whatever the volume of its business, can afford to have profitable accounts killed by a person who has missed his calling. And yet the evidence is overwhelming that not all qualified butchers ply their trade in meat markets; some dictate collection letters for credit departments.

## PENNY WISE AND POUND FOOLISH

Here are several more products of the “strong-arm boys”—the exponents of the “knock-down-and-drag-out” technique:

Dear Sir:

Do you intend to pay your past-due account with us, amounting to \$28.75? Frankly, our faith in your good intentions is fast running out, and our patience, too, is just about exhausted.

Since your account is two months past due, we feel that we have been very lenient in this matter, and we must now insist upon payment without any further delay.

We shall look for the inclosed postage-free envelope—containing your check—by return mail. Your prompt compliance will be decidedly to your own advantage.

Very truly yours,



Gentlemen:

We've all seen trucks that were stuck in the mud—bogged down by loads that forced their wheels deep into the mire. We've heard of pack animals that staggered and dropped from sheer exhaustion because the weight on their backs was just too much for their endurance.

The same fate can befall a business like ours when too many of its customers—fellows just like you—get on and ride.

We have carried you now for 90 days—60 days longer than our credit agreement called for. Do you think that's fair? We don't!

So now we are asking you—and a lot of others—to hop off the Blank Company transport and “push” for a change. Up to now we've been doing all of it—even pushing you for payment.

How about saying “Thanks for the free ride” by mailing us your check for \$97.65—now?

Yours truly,





## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

In my years of experience as a credit manager I have learned to classify people generally in two groups—those who are honest and those who are so-called dead beats.

When this account was placed on our books, you were one of our regular charge customers, and presupposed to be honest. Inasmuch as we have had no response to the numerous letters which we have written you about your bill, I have come to the conclusion that you do not intend to pay it.

I must, therefore, say that unless we receive your check by return mail, I shall be forced to admit our earlier mistake in judgment and, mentally at least, place you in the category of the dead beats.

Now, Mr. Blank, the final decision is yours. Will you permit this to happen, or will you sit down at once and write your check for \$12.65? It's up to you.

Very truly yours,<sup>1</sup>



Dear Mr. Blank:

We cannot understand your persistent refusal to pay your bill or, at least, to extend to us the courtesy of an explanation.

After all, you must know that we, too, have our obligations to meet. How would you like it if you were in our position and someone treated you as you are treating us? You wouldn't—that's all!

So why not do the fair thing and pay up? It is a job that's got to be done, and doing it now will save us both a lot of unpleasantness.

Mailing us your check for \$39.30 will give a real lift to your feeling of self-respect, and our respect for you will zoom upward, too.

Yours very truly,



<sup>1</sup> Reprinted from "The Secret of Successful Credit and Collection Letter Writing," by A. J. Worsdell, *The Credit World*, August, 1940, by permission of the publishers (National Retail Credit Association) and the author.

## PENNY WISE AND POUND FOOLISH

Dear Mrs. Blank:

Although we have written to you four times about your October account, we have not had the courtesy of a reply. Frankly, we are surprised at the manner in which you have ignored our repeated requests for payment, and we cannot understand your apparent indifference regarding this matter.

We believed in your honest intentions when this account was opened, and we are still reluctant to revise our opinion. But unless we hear from you within the next week, we shall have no choice but to realize that our judgment was in error when we trusted you. In the event of your continued silence, we shall be compelled to take drastic steps to collect the amount you owe us—\$29.16.

Yours very truly,

Five hits, no runs, five errors! Unfortunately, the hits were all "direct hits"—perhaps "bean balls" would be a better term. And each error, I'll wager, cost the guilty firm a customer. If your organization ever uses such a letter, it may bring you the check. But take a good look at the signature, for you'll probably never see it again. Here's a rhyming admonition that is worth thinking about:

If your firm mails out a tactless letter  
To an honest but rather careless debtor,  
You may get a check for the full amount  
To balance a henceforth inactive account.

A collection is made at a heavy cost  
If the debtor's future business is lost.  
When a steady account is needlessly killed,  
You lose goodwill that's hard to rebuild.

Avoid the tone of exasperation  
When you ask a debtor for information.  
Don't mention "the courtesy of a reply"  
If you ask the delinquent the reason why.

Instead of the curt and impatient tone  
There are better ways to make your wants known.  
Your private suspicions it's best to conceal;  
You'll always gain more by a friendly appeal.

## SUCCESSFUL COLLECTION LETTERS

Avoid sharp words like "failed" and "neglected"  
Although these faults may have been detected,  
For even when credit has been abused,  
The man doesn't live who likes being accused.

If the rules of diplomacy you ignore,  
Few of your victims will come back for more.  
You'll help your competitors far and wide,  
For much of your business they'll gladly divide.

It's hard to understand, but many concerns that spend money lavishly for advertising continue to mail collection letters that lose old customers as fast as their promotional effort gains new ones. Each spin of such a gigantic revolving door is very costly. The futility of the process reminds me of the little colored boy who observed ruefully, after spending all his nickels for rides on the merry-go-round, "Now I'se spent all my money an' I ain't bin nowhere."

## II

### *Double Duty—Tangible and Intangible*

**A**LERT, progressive businessmen no longer measure the effectiveness of a collection letter solely by the percentage of accounts that it collects or by the total sum of money that it pries from the pockets of delinquent debtors. Those who understand the full scope of the collection problem realize that the process of extraction must be made painless and that it must leave no scar.

Whatever may be the tangible returns, a collection letter is successful only if its recipients remain kindly disposed toward the firm that it represents. Here is a letter that may have collected a large percentage of past-due accounts, but I'll wager that it caused many who received it to begin looking about for another store at which to trade in the future:

Dear Sir:

We have written to you twice—this makes three times—about your past-due account amounting to \$19.40.

When a charge account was placed at your disposal, we felt sure that you would not abuse this privilege. Now we can only conclude that we were wrong, that our trust was misplaced, and that you have no desire whatever to co-operate with us.

Since you have chosen to ignore our requests for the payment of a just debt, we do not feel that we can continue to temporize. We hope, therefore, that you will realize the seriousness of the situation and take action before we are forced to do so.

We shall expect your check by return mail.

Yours truly,

## SUCCESSFUL COLLECTION LETTERS

No normal human being could read that letter—if it had been addressed to him—without recoiling sharply. Nobody likes the implication that he is deliberately and willfully dishonest, followed by a threat of “strong-arm” methods in forcing collection. Such a letter might round up a large proportion of your delinquent accounts, true enough, but it would also make ex-customers of many persons who received it.

Such methods are expensive and shortsighted. Why drive old customers away when another method of collection will bring in their checks while actually enhancing their spirit of goodwill toward your organization?

Try for just a moment to place yourself in the position of the person who receives your collection letters—a person who is just as human as you are. How would you like being insulted and then “clubbed” in a fashion suggestive of the “bouncer” at a public dance hall? You wouldn’t, of course; nobody does. But what type of appeal would make you want to co-operate? Wouldn’t it be the kind that makes a courteous request based upon the premise that you are honest? Wouldn’t you react favorably to such a letter as this one?

Dear Mr. Blank:

Probably your April account, amounting to \$19.40, has merely escaped your attention. We feel sure that you will accept this third reminder in the same friendly spirit with which it is written, and that we can depend upon your co-operation.

Since your account is now considerably past due, we particularly urge your attention to it. A postage-free envelope is inclosed for your convenience

Won’t you send your check today? We’ll appreciate it.

Sincerely yours,

## DOUBLE DUTY—TANGIBLE AND INTANGIBLE

Certainly this letter presents a striking contrast when compared with the one shown on page 9. Not only does the second letter retain the customer's goodwill—it actually cements his friendship still further. And that's not all. Its appeal for payment is much more effective than the "pay up or else" attitude of the first example.

Here is another contrast just as sharp. The letters that follow illustrate two methods of handling the same situation.<sup>1</sup> Obviously, they were written by collection correspondents who held widely divergent views on the psychology of the effective appeal for payment.

### I

Dear Mr. Blank:

Our files show that we have written to you several times requesting payment of your overdue account. Of course, we have not received payment; neither have we had the courtesy of a reply. We must insist that you give this matter your immediate attention.

A stamped envelope is inclosed for your convenience.

Very truly yours,

### II

Dear Mr. Blank:

When we are dealing with a reliable customer and his bill has become past due, several good reasons come to my mind. It may be an oversight; it may be sickness. Some emergency may have arisen that necessitated postponement, or it may be that there has been some misunderstanding of which we are not aware.

Yes, Mr. Blank, even a credit man believes that there are times when payments may be justly delayed. But honestly, I can't think of any reason why you haven't written to us.

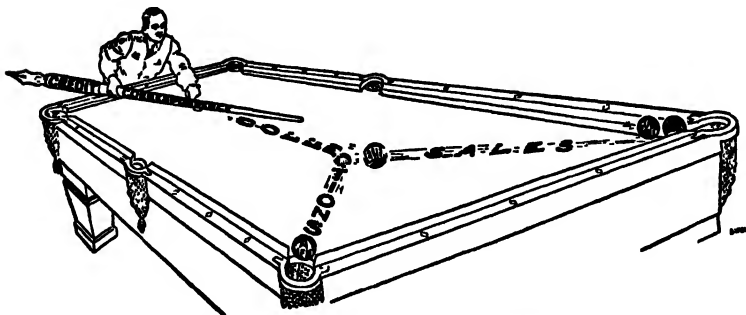
Whatever the situation may be, why don't you tell us about it? You will always find us willing to co-operate.

Sincerely yours,

<sup>1</sup> These letters are reprinted from "Credit Wise—or Otherwise!" by W. C. North, *Credit and Financial Management*, April, 1937, by permission of the publishers (National Association of Credit Men) and the author.

## SUCCESSFUL COLLECTION LETTERS

The difference in the viewpoints of the men who wrote these letters can be summed up in a single word—*vision*. The first man couldn't see beyond the ledger that lay before him; a check from the delinquent debtor was his only objective. The second man was looking ahead to next week, next month, and next year. To him the check was a means to a more important end—continued business from a satisfied customer.



*A good collection writer can make this shot. [Reproduced from "Make Your Credit Letters Sell," by Aline E. Hower, Credit and Financial Management, February, 1937, by permission of the publishers (National Association of Credit Men) and the author.]*

There is a great deal more to the art of collecting accounts by mail than merely bringing in payments that are overdue. True enough, the dollar sign is the measuring unit by which tangible results can be computed. But what do your customers think of you after they have paid their bills? Do you still have their goodwill? Or have you lost both that and their patronage? If their respect for you has turned to resentment, your collection technique needs immediate revision—it is acting as a brake on the forward motion of your business. The intangible factor cannot be measured directly by the monetary yardstick, but it soon manifests itself in terms of inactive accounts.

### III

## *Making the Most of Human Nature*

WOULD that the rules of human nature could be reduced to a formula for instant application to collection letters. But we might just as well wish for a machine that, upon the insertion of the letter, would flash a green light to indicate an effective message and a red signal to warn of an ineffectual one. Experimentation is the only absolute test for determining whether a letter that Mr. Jones likes will also appeal to Mr. Smith. Differences in temperament and taste account for the widely divergent reactions of several persons to the same letter. A collection effort that gains a wholehearted response from one customer may leave another completely "cold"; a touch of humor that gets a laugh from one debtor may not appeal to another. For this very reason, incidentally, the humorous letter should be used with discrimination.<sup>1</sup> Both the circumstances and the nature of the humorous element should be such that the letter could not possibly arouse an unfavorable reaction.

Although the rules of human nature will never be reduced to the convenience of a litmus-paper color test for collection letters, they are nevertheless very helpful

<sup>1</sup>The use of humorous collection letters is discussed in greater detail on pp. 26-27.



## SUCCESSFUL COLLECTION LETTERS

to those who would inject the greatest possible pulling power into their collection letters. The following paragraphs outline several that apply universally to any group of debtors, regardless of such variable factors as age, sex, nationality, intellectual level, occupation, and income.

In the first place, even men and women who neglect their obligations like to be greeted by name. Mr. Blank reacts far more favorably to *Dear Mr. Blank* than he does to a routine, all-inclusive *Dear Sir*. The use of his name credits him with an individual personality; *Dear Sir* loses his identity in the crowd. Though little extra effort is required to assure the favorable first impression of a made-to-order salutation, still *Dear Sir* and *Dear Madam* meet the eyes of countless negligent customers each business day. In checking through 100 collection letters pulled from my files at random, I found that 57 carried personalized salutations, whereas 43 made use of an all-purpose label, such as *Dear Sir*, *Dear Madam*, *Dear Friend*, *Dear Customer*, or *Dear Reader*. Those 43 firms could be getting more momentum out of their salutations with very little additional effort on their part.<sup>1</sup> Of course,

<sup>1</sup> In a few instances, when firms carry on their books thousands of very small accounts that require systematic, routine collection effort, the use of a blanket salutation is justified. Magazine publishers, for example, often make their periodicals available on a credit basis for a three- or four-month trial period. Trial subscribers are frequently billed at the expiration of their subscriptions because such a plan is primarily a promotion device. The number of accounts often runs into the thousands, and the amounts are invariably small. In such instances, the cost of personalizing each letter would be prohibitive in view of the small amounts at stake. Moreover, subscription debtors realize that the collection reminders they receive are form letters, so personalization would have little effect upon their reactions. Consequently, many collection letters representing magazines greet their readers as *Dear Subscriber*—a practice that is justified in view of the practical considerations involved.

## MAKING THE MOST OF HUMAN NATURE

any letter that is impersonally addressed to an organization instead of an individual is compelled to carry a blanket salutation, such as *Gentlemen*. But that's another point that can bear comment. Seldom is it necessary to address collection correspondence to an entire organization. Nine times out of ten the writer knows—or can easily learn—the identity of the individual to whom his letter will be referred. It will be worth his time, in such cases, to direct the message straight to that person, not to the firm in general.

The more personal every collection letter can be made to seem, the better for its chances of success. So why not give the reader the benefit of the doubt, even if he has not responded to your earlier letters, and assume that he is a human being instead of a page in the company ledger? A personalized salutation is the first step.

The opening sentence of the letter body presents the next opportunity to make human nature work with you. A dull, mechanical beginning of typical collection letter “flavor” is fatal to reader interest. “Oh, yes,” says the recipient to himself, as he tosses the letter into the wastebasket, “I must attend to their bill.” A moment later he has forgotten it again, and the account stands precisely where it did before he received the letter. The first requirement of a good collection letter is enough attention value to get the letter read. Yet what can one expect of openings like these?

We have written to you several times about your November account, amounting to \$25.78, which is now more than two months past due, but we have received no response.



In checking our records, we notice that your account shows a September balance of \$34.65.



## SUCCESSFUL COLLECTION LETTERS

You have received several courteous requests for settlement of your past-due balance shown below, but to date it remains unpaid.



Your last statement shows a balance carried forward for purchases of a previous month amounting to \$19.35.



We wish to call your attention at this time to the balance noted below, considerably overdue on your account.



Your valued account on our books reflects a balance of \$26.10, carried over from March.



Your account, as detailed below, has reached the point where we must request your immediate attention to it.



Your account, as of the first of the month, shows a balance which is somewhat past due, and which has no doubt been overlooked.



We are somewhat at a loss to understand why we have not received your remittance or a reply to our numerous reminders, and again we call your attention to the past-due balance still owing on your account.

Those nine "sleeping powders" came from a dozen letters selected at random from my collection file. Can you blame their recipients for yawning? Now let's glance at the other three, for they have some life. I believe they would hold the reader's attention and carry him into the heart of the message. See if you agree:

Almost everyone in advertising knows Elbert Hubbard's famous collection letter: "Dig, partner, dig! It will take only a minute and God knows, I need the money."



In everything we do, whether selling or displaying merchandise or asking payment for it, the policy of this store is to do it in the friendliest fashion.



If you were sitting in my office right this minute, and I asked you why you hadn't paid that \$45.80 we have been writing to you about, you'd give me a frank answer, I'm sure.

It's hard indeed to explain why so many collection writers continue to use threadbare beginnings when a little initiative would inject vitality and personality into the all-important opening sentence. In some cases, the answer is probably a lack of originality; in others, it is doubtless pure laziness. That word *laziness*, incidentally, reminds me of the worst offender of all in collection writing—the person who uses a set of creaky 1890 expressions. But the “rubber stamp” addict will have the spotlight all to himself in Chapter VI, pages 99–103, and he'll find its rays uncomfortably penetrating. Here we are concerned only with the opening sentence. If it's like those nine dull ones you encountered a moment ago, it will also be the closing sentence as far as the reader is concerned. But if it gives him a glimpse of the writer's personality, it will supply the thread of interest necessary to hold his attention. A collection letter, like the proverbial chain, is only as strong as its weakest link—and that link is often its opening sentence.

The importance of personality, of course, is by no means limited to the first sentence. The human, personal tone is the backbone of the entire letter. Without it, the message will lack the pulling power that character and individuality give to a collection appeal. But the part played by the human element in collection correspond-

## SUCCESSFUL COLLECTION LETTERS

ence is a chapter in itself and will soon be treated as such (Chapter IV).

Another common weak spot in the collection letter is the "clinch"—the climax in which the writer tries to induce action. Here the letter must buck a universal human tendency—procrastination. It must conquer the old adage that "it's only human nature to follow the line of least resistance." That self-evident fact spells "difficulty" to the collection writer, since the easiest thing for the reader to do about his letters is to ignore them. That's precisely why a good collection letter must also be a sales letter, employing the same functional process that motivates action in any selling job. Unless the customer is "sold" upon the idea of paying his bill, the "one-way exchange" of letters continues.

No less important in the selling process of the collection letter is the elimination of deterrent factors. Any influence that may lead to further procrastination should be anticipated and removed from the equation if possible. For example, it's always easier to mail a check to a creditor if a postage-free reply envelope accompanies the collection reminder. The customer is then spared the inconvenience of addressing an envelope and supplying a stamp, and two possible mental hazards have been avoided. A small item—that return envelope—but it may mean the difference between success and failure. For instance, take these two excerpts from recent collection letters. Which would be more likely to enlist your co-operation?

### I

Should there be any adjustment which you feel merits our consideration before this account is settled, please write to us about it. Otherwise, we shall look for your check promptly.

## MAKING THE MOST OF HUMAN NATURE

### II

If there is anything you want to tell me before this bill is paid, won't you jot it down on the back of this sheet? If not, please take a few seconds right now and "obey that impulse" by mailing your check for \$57.80. Here's a stamped return envelope to make impulsiveness easy.

It's not hard to see why the first letter failed and the second one succeeded. The latter reduced the negative factors to the absolute minimum by making action very easy to take. The debtor was left no excuse for further delay. Even the amount of his bill was recalled to his mind once again, despite the fact that he had received several previous reminders. And this point is important! The customer who continues to neglect his account after receiving several reminders is the one least likely to remember how much he owes. So every letter—unless it is accompanied by a statement—should mention the amount. Uncertainty on this point is all the debtor needs as a basis for continued delay.

While we're considering ways and means of adapting the letter body to our knowledge of human nature, here's another rule for universal application. *Don't preach!* The odds are 100 to 1 that any sermon you deliver will be trite and dull to your unwilling congregation. Remember that most delinquent debtors have heard all the collection themes. They know the one about "the need of full co-operation to assure mutual benefit in business relations," and they have been told before that "in such trying times as these, it is the duty of all of us to do everything possible to help stimulate business by paying our obligations promptly." They have even become immune to appeals from those who express "unswerving faith in the honor and high principles of the persons who make

## SUCCESSFUL COLLECTION LETTERS

up this splendid community." In short, Fourth of July oratory leaves them "cold." Most of them will resent any form of lecture, and few will be with you when you reach its conclusion.

Just a word, too, about the practice of writing a treatise instead of a letter. Someone has said that "the effectiveness of a collection letter varies inversely in proportion to its volume." Although this facetious parody on one of the "old reliables" of chemistry was hardly intended for literal application, it certainly contains an element of truth when applied to letters that overflow onto a second page. It's well to recall now and then the old story about Uncle Joe Cannon. A new member of the House, making his first major speech, found his audience strangely silent under his oratory. Upon adjournment he sought out Cannon to learn what he thought about the speech. "Well, maybe what you said was all right," replied Cannon, gravely, "but it seemed to me you didn't make the most of your opportunities." "My opportunities?" repeated the puzzled orator. "Yes," explained Cannon, "you had many chances to sit down before you did." Enough for the moment about the person of too many words. He will be singled out for more detailed attention in Chapter VI, pages 110-115.

So much for the letter body. Now a few words about the complimentary close. Most collection writers regard it as purely mechanical, and proceed to make it so by winding up with *Yours truly*, *Yours very truly*, or *Very truly yours*. Such a routine farewell adds nothing but structural completeness to the message, since it lacks any semblance of the personal tone. Yet one or another of these three colorless forms made up the closing words in 73 of 100 collection letters pulled from my file at random

## MAKING THE MOST OF HUMAN NATURE

just before these words were written. Only 27 writers were "on their toes"; the other 73 were asleep.

The alert collection correspondent recognizes the complimentary close as a valuable device. It affords him a splendid opportunity to make the reader's last impression a pleasant one, and that final touch may even determine the effect of the entire letter. The complimentary close is either a positive force or a pointless formality, depending upon the taste of the writer. He can make it warm and human by using *Cordially yours*, *Cordially*, *Sincerely yours*, *Yours sincerely*, or *Sincerely*. The friendly tone of the first two forms is especially well suited to letters of the "reminder" stage, whereas any of the last three harmonizes with the content of a more urgent message. Any of these closes strengthens the personal tone and suggests a friendliness of spirit that adds punch to the letter. It requires no extra words and no extra effort to make the complimentary close contribute to the pulling power of the message. So why not make the most of this chance? No collection letter has ever suffered from an excess of this magnetic quality.

Any survey of universal human reactions to collection letters would be incomplete without mention of the "screaming" form letter. Everyone discounts the importance of a message that shows itself to be a mere form. Often this damaging revelation costs the letter even its chance of being read, and nowhere is it more of a psychological handicap than in collection correspondence. The recipient of an obvious form letter concludes from its use that there must be many other accounts in the same condition as his and realizes that "there's safety in numbers." He decides that someone would have written him a personal letter if the situation were becoming very



## SUCCESSFUL COLLECTION LETTERS

serious. And think what we may of his scruples, we must admit that his logic is good. So the form letter is a useful collection device only when it doesn't look like what it is. Yet very few firms make a successful effort (and many, it seems, make no effort at all) to conceal the mechanics of their form-letter routine. So common is the obvious form letter that it ranks as one of the seven major collection weaknesses to be discussed in Chapter VI, pages 96-99.

The statement has already been made that a good collection letter must also be a sales letter. This philosophy of collection work is still comparatively new, and the products of many correspondents indicate that they have not yet accepted it. Instead, they continue to look upon the collection problem as one of mere arithmetic; they see in it only a ledger sheet that doesn't balance. This narrow perspective is the most shortsighted mistake of all, since it is completely out of focus with our knowledge of human nature. We know that the average human being—if he is able to meet his obligations—will pay his bill when he is convinced of the advisability of doing so or when he is forced to do so. We also know that the latter method of securing payment causes resentment and loses customers. Obviously, then, the job of the collection letter is a straight selling job. Like other sales letters, it is after the signature of the recipient—not on an order but on a check. It is not selling shirts, automobiles, magazines, or vegetable shortening; instead, it is selling the “idea” of paying an honest debt. But the process is the same—the letter must attract attention, arouse interest, instill conviction, and stimulate action if it is to be successful in collecting accounts. The collection letter is just a highly specialized type of sales letter.

## MAKING THE MOST OF HUMAN NATURE

So much for this brief survey of the universal rules of human nature as they apply to collection writing. Frankly, I feel just a little bit guilty at having taken your time to point out so many self-evident facts—truths that anyone should realize after a little down-to-earth, straight thinking. But the evidence—if several thousand actual collection specimens can be called evidence—shows conclusively that many who collect accounts by mail do not stop to think. Instead, they make obstacles of factors that can just as easily be put to work in their favor. And certainly we all agree that collection work presents enough obstacles that are inevitable, without the addition of others that can easily be avoided. It's easier to collect accounts when the human factors are working for you than when they are allied against you. Why not make the job as simple as possible?

## IV

### *Let's Make Them Human*

**F**OR many long years collection writers conformed to the "nth degree" with the unfortunate tradition that letters to delinquent debtors must be stiff, bleak, and cheerless. Ever on the alert lest a faint ray of light creep into their messages, they were extremely efficient in shutting out any glimmer of friendliness, any evidence of helpfulness, any trace of genuine personality. They kept out of their letters any indication that there might be a human being in their entire organization.

That was the order of the day. Collection letters were grim, gloomy documents; their icy formality was unrelieved by any touch of humanness. Here is a typical example:

Dear Sir:

It is my purpose to inform you that your indebtedness to us for the month of March, although more than two months in arrears, still remains unpaid. Since our credit terms require payment of all accounts by the tenth of the month following that of purchase, we shall expect your check in the amount of \$36.20 by return mail.

Yours truly,

## LET'S MAKE THEM HUMAN

Such letters as this were the standard equipment of collection correspondents. And then—one day it dawned upon someone that even debtors are living, breathing human beings, with feelings and sensory responses just like those of other people. So what great harm could result from mailing them a human letter? The first experiment, no doubt, was performed upon debtors whose condition was considered hopeless. The innovation proved a smashing success—and a new era began in collection writing when many of the “incurables” responded to the new treatment.

But progress was slow at first. Dyed-in-the-wool exponents of the old philosophy clung tenaciously to their mechanical methods. Those who dared to brighten their letters with a little warmth and personality were accused of undue levity in dealing with a serious situation. Unfortunately, the “die-hards” predominate even now, as evidenced by the heavy majority of today's collection letters that are drab, dull, and completely routine in tone. The last few years, however, have produced numerous improvements in collection-letter technique—improvements based upon the discovery that messages with some life to them have a contagious effect on delinquent debtors. Collection correspondents are finally learning something that has been known to medical science for many years—namely, that a dose of chloroform never stimulates action on the part of the victim. In the light of this new philosophy, collection writing is making consistent progress toward living down its well-earned reputation as the dullest of all types of business correspondence to write and to read.

There need be nothing dull about collecting accounts by mail. In fact, effective results can be obtained only

## SUCCESSFUL COLLECTION LETTERS

when dullness is eliminated from collection letters. The debtor needs a stimulant, not a sedative. He responds best to a message that has animation and warmth of tone—a message that sounds as though it came from a living human being. Sometimes a touch of humor is just the tonic he needs.<sup>1</sup>

Adherents of the “gloomy Gus” philosophy are horrified, to be sure, at the mere mention of humor. To them the keynotes of cheerfulness and cordiality sound preposterous. But let’s analyze the two conflicting philosophies. True enough, a delinquent account isn’t a joke—not by any means. But neither does it portend the end of the world. The best approach to the situation is that which collects the bill without jeopardizing the friendship of the customer. One method treats him like a delinquent account; the other treats him like a human being. One approach is cold and impersonal; the other is warm and friendly. Which would you prefer if you were the debtor?

The collection department is no place for an Eskimo. Effective collection writing requires warmth of tone, personality, and a sympathetic understanding of human nature. Sometimes a touch of humor is both appropriate and stimulating as the human interest element. And after all, it’s not against the law to make collection letters human. The case for humor is summed up as follows by a leading business journal:<sup>2</sup>

<sup>1</sup> A humorous element is especially well adapted to the early stages of follow-up campaigns designed to collect small accounts. Frequently debtors overlook bills because the amounts are too small to “register.” In such cases the collection problem is merely to remind—not to persuade or convince. Often a humorous letter supplies the attention value and memory value necessary to get results.

<sup>2</sup> The following account is reprinted from *American Business* by permission of the publishers.

## LET'S MAKE THEM HUMAN

There is nothing funny about an unpaid account, but many collection managers have found that a touch of humor is an excellent lubricant to keep the wheels of business turning without friction.

Typical of some of the humorous collection ideas which have brought results is the following letter, which was successfully used by a number of subscribers who have passed it along to us.

Dear Mr. Blank:

A Negro who had an injured head entered a doctor's office.

"Hello, Sam! Got cut again, I see."

"Ycs, sah. I done got carved up wid a razor."

"Why don't you keep out of bad company, Sam?"

"Deed I'd like to; but I ain't got 'nuf money to get a divorce."

Somewhat like Sam, we are "hooked up," if not married, to a lot of concerns from whom we buy materials, who surely do "cut up" when we don't pay our bills.

Again like Sam—"we ain't got 'nuf money to get a divorce."

Won't you help us out by sending your check for \$26.80?

Thank you!

Cordially yours,

Letters of this type serve to break the deadly monotony of the average mill run of collection letters. Often they serve to make the debtor say to himself, "Well, that fellow is a pretty good guy. I must send him a check."

Business correspondents who are "on their toes" find nothing dull about collection work. That's because they inject personality, energy, and vitality into their letters. These are the qualities that put new life into a debtor and induce him to act. Often his response reflects the same friendly spirit that inspired it. Let's glance at a few examples.

Here is a collection letter that brought an immediate response from many slow-pay customers:

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Dear Mr. Blank:

When the Fates whispered "Let's make him a credit man" over my cradle, they probably thought they were starting me off on a pretty smooth path through life.

Most of the time I think they were right, but on days like today—when the Credit Department has the first-of-the-month blues—I'd certainly like to be in someone else's shoes.

And yet, asking for money—when it's due—shouldn't be such a trying task. Take your account, for instance. The chances are that its past due-ness has just slipped your mind—that you are glad to be reminded to pay it. But writing to you about it makes me feel like the big, bad wolf himself.

And now that I've done that reminding job, won't you send along your check for \$86.10 today? We'll surely appreciate it.

Sincerely yours,<sup>1</sup>

The warm, friendly tone of this letter proved contagious. Checks poured in from many who had ignored previous appeals, and several remittances were accompanied by cordial notes from customers. Here is a typical example:

Gentlemen:

We thought that we wrote nice collection letters until we got yours. Humbly we move to the rear of the class.

We have a method of paying our bills. Every statement we receive is carefully placed in a basket. At the end of the month we have a drawing to see who will be the lucky one to get a payment. Usually a collection letter disqualifies a creditor, but you were the exception. We drew your number May 31 and sent you a payment of \$46.10. If Mr. Farley was too surprised to make delivery, please let us know, as Dame Fortune will not smile upon any firm twice in a row.

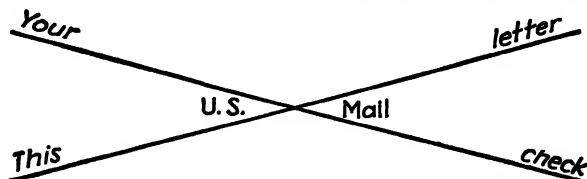
Seriously, we deeply appreciate your courtesy and will make every effort to clear the balance as quickly as possible. Thank you again for your patience.

Sincerely yours,

<sup>1</sup> Both this letter and the reply that follows are presented by permission of Miss Eileen Clifford, Sales Promotion Director, Crystal Tube Manufacturing Co., Chicago, Illinois.

## LET'S MAKE THEM HUMAN

The friendly, disarming tone of the following letter proves that a good bit of rhyme now and then may serve as an effective change of pace. This letter got results in many cases after more serious approaches had failed.



Dear Mr. Blank:

"X" marks the spot, as likely as not;

If this is the case, thank you a lot.

If your check and this letter crossed in the mail,

We promise we'll no longer keep on your trail.

But if, by chance, our diagram's wrong,

We know we'll hear from you before long.

Your check for the bill that's now past due

Will amply reward our faith in you!

Amount: \$36.30

Cordially yours,<sup>1</sup>

One debtor not only stopped to write a check but took the time to match the "versatility" of his creditor. Here is his reply:

Gentlemen:

Your diagram's wrong, we're sorry to say,

But your check will be mailed to you today.

We like the tone of your friendly letters

And plan to try them on some of our debtors.

You have been patient and courteous, too,

In requesting a payment so long past due.

Your faith in us even at this late date

Is something we deeply appreciate.

Cordially yours,

Even a letter with an element of humor can be very brief. Here is a classic example:

<sup>1</sup> Reprinted from *Goodwill Letters That Build Business*, by William H. Butterfield (Prentice-Hall, Inc., 1940), through permission of the publishers.



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Gentlemen:

Will you please send us the name of a good lawyer in your community? We may have to sue you.

Cordially yours,<sup>1</sup>

After recovering from their amazement, the recipients of this letter got a smile out of it. In sending their checks, several concerns complied with the creditor's request "for purposes of future reference." One suggested the name of a famous lawyer—dead some thirty years—who was buried in that particular community. Another firm offered the services of its own legal department on a commission basis. And, by the way, this letter collected more than half the delinquent accounts on which it was used.

Here's another humorous letter that "clicked." It even succeeded in getting replies from several persons who were under no obligation to respond. The letter was mailed to former magazine subscribers whose subscriptions had expired.

So long,  
dear friend,  
We'll have to part,  
Although it almost breaks my heart!  
I wrote to you,  
and wrote,  
and wrote,  
But you ignored my every note.  
I really hate to say Good Bye  
So let me make *one final try*:  
Two dollars isn't much to pay;  
Come on,  
renew—  
this very day!

Cordially,<sup>2</sup>

<sup>1</sup> Presented by permission of Mr. A. S. Foster, General Manager, National Radio Checking Service, Inc., St. Louis, Missouri.

<sup>2</sup> Both this letter and the reply that follows are presented by permission of Mr. Richard E. Kline, Circulation Manager, *Forbes*, New York City.

## LET'S MAKE THEM HUMAN

One recipient took the trouble to acknowledge this letter even though he no longer had use for the magazine

Gentlemen:

It was with real regret that I received the last letter from you regarding my re-subscription to Forbes Magazine. I say "regret" because your letters were clever and interesting.

I am not re-subscribing for Forbes because I no longer need it. However, I could not pass up the opportunity to tell you that your last letter in poetic terms was really a "knock-out," even though it said "So long."

Very truly yours,

When the creditor is personally acquainted with his debtor and knows something of his disposition and temperament, the applicability of humor to collection letters becomes still more flexible. The following account relates an actual collection experience of a well-known New York City specialist.<sup>1</sup>

"Doctor," said his secretary, "Mr. Simoleon owes us \$300 that is long past due. Shall I send the usual collection letter?"

"No, no, I wouldn't do that," replied the doctor. "Let me see—"

"Or shall I turn his account over to a collection agency?"

"Oh, Heavens no—that would never do. Here, take a letter."

Mr. Simon Simoleon  
ooo Park Avenue  
New York City

Dear Si:

My wife and two children are starving. My partner is out of town and I don't know what he will say concerning the state of affairs here at the office when he returns. I am to all intents and purposes a complete nervous and physical wreck.

Could you do something about that \$300?

Yours in direst straits,

<sup>1</sup> Reprinted from "A Collection Letter That Brought Home the Sandwiches," *Postage and the Mailbag*, June, 1935, by permission of the publishers.

## SUCCESSFUL COLLECTION LETTERS

The letter went out in the morning mail. That afternoon a special messenger arrived at the office with a package and letter to be delivered only to Dr. ———.

The package contained four bread-and-butter sandwiches and a quart of good Scotch. A check for \$300 was attached to the letter, which read as follows:

Dear Doc:

Your cry of distress has not gone unheeded.

The four sandwiches are for your wife, yourself, and two daughters—all starving. The Scotch is to be taken in toto previous to the return of your partner, so that whatever the conditions may be at your office, your health and nerves will be unimpaired, no matter how he rants and raves.

Your succor,

Here is one more example of an amusing human interest element that got results.<sup>1</sup>

One day not long ago, the bookkeeper for the *Cariboo Observer*, a Canadian newspaper, nearly lost his mind counting all the checks and cash that poured into his office. He had to work far into the night to take care of the sudden flood of money that came from musty old accounts, long overdue. The next morning he went up to the editor's office to see if the millennium had come. Nothing of the kind! The editor had mailed a potent collection letter which read, in part:

It is reported that one of the fastidious newly married ladies of the town kneads bread with her gloves on. This incident may be somewhat peculiar, but there are others. The editor of this paper needs bread with his shoes on; he needs bread with his pants on, and unless some of the subscribers of this old rag of freedom pony up before long, he will need bread without a damned thing on—and Cariboo is no Garden of Eden in the wintertime.

And now, since our last several examples have run somewhat to humor, let's consider a few more illustra-

<sup>1</sup> The following account is reprinted from *The Reporter of Direct Mail Advertising*, December, 1940, by permission of the publishers.

## LET'S MAKE THEM HUMAN

tions that achieve the warm, human tone quality without depending on a humorous element. Here is a letter that makes the reader feel as if the credit man had just dropped in for a friendly chat:

Dear Mr. Blank:

Funny how we forget things, isn't it? I forgot something important; I believe you did, too.

Several days ago I should have sent you that stern, strong reminder which we credit men are supposed to send on accounts that are sixty days past due. Maybe I just unconsciously felt that your check would be in any day. It has always arrived very promptly in the past, you know.

But here your payment is seventy-five days past due, and your check is not here yet. You know how it is. We credit men have our bosses, too. Mine looks over the accounts every once in a while, and when an account goes as high as ninety days past due, I am called on the carpet for an explanation. What can I tell him if your account is not paid at that time?

So that we won't both forget again, please send your check for \$77.50 now, while you think of it. To make it easier for you, an addressed envelope is inclosed, marked so it will come right to my desk, and you will get credit immediately.

Thank you!

Sincerely yours,<sup>1</sup>

If you received that letter, wouldn't its friendly, human tone make you want to pay your bill without waiting another day? Judging from the response which it stimulated in actual use, that was the effect it had on most of its recipients.

The letter that follows also owes its success to the manner in which its writer demonstrates that he, too, is

<sup>1</sup> Reprinted from *Printers' Ink*, July 28, 1939, by permission of the publishers.

## SUCCESSFUL COLLECTION LETTERS

human—that he understands the problems of the customer and wants to co-operate with him.

Dear Mr. Blank:

The fellows who coined the expressions that  
“Silence is golden”  
and that  
“No news is good news”  
certainly weren’t credit men. They couldn’t have been!

To those of us whose job it is to keep the wheels of credit turning smoothly, nothing is so welcome as a check in the morning mail—unless it’s a check in the afternoon mail.

But sometimes things happen to prevent the prompt arrival of a check we are waiting for. We understand how that can happen—and when it does, we always try to do our part—to meet the customer halfway in getting the matter straightened out.

So won’t you help us to come our half of the way? If you simply can’t manage to send along your check for \$27.55 just now, please tell us what we can do to help you “over the hump.” If you need a little more time on this bill, just let us know, for we really want to co-operate with you.

You’ll find us ready, willing, and able.

Sincerely yours,

Here is another example of a warm, friendly approach that got splendid results by making the customer want to co-operate:

## LET'S MAKE THEM HUMAN

Dear Mr. Blank:

Even though you happen to owe us \$34.65, we don't mail you a lot of high-powered letters or send out insistent collectors to bother you. We know you are an honest, fair-minded person, and that you'll pay that bill when and as you can.

We are sure you won't think us unreasonable, though, if we ask you to do one of three things:

- (1) Pay your account in full if you possibly can.
- (2) Pay something on the account—\$5, \$10, or some definite amount.
- (3) If you simply can't spare even a dollar, just turn this letter over and tell me so in confidence—entirely between you and me.

My boss, the President of the Company, has a habit of asking about these accounts. If I have to tell him we haven't heard from you at all, he naturally thinks I haven't done my job very well. He thinks that if I wrote to you properly, I'd have at least a reply to show for it.

So this is to remind you that we are still very much your friends here, and as friends we ask your help in doing (1), (2), or (3).

Sincerely yours,<sup>1</sup>

All these appeals, humorous and otherwise, are intensely human. They enable the customer to visualize the person who has written to him—to see this person as a flesh-and-blood human being. These letters have the character and personality necessary to give them life. And there's no denying the value of animation as an attention getter. Advertising experts discovered it long ago. That's why the moving neon or electric sign has replaced the wooden Indian in front of the cigar store. That's why the revolving cylinder of red-and-white stripes has supplanted the giant shaving mug as the symbol of the

<sup>1</sup> Presented by permission of Mr. A. M. Paul, Manager, North American Lubrication Co., Limited, Winnipeg, Manitoba. This letter is an adaptation of one written by Mr. R. G. D. Anderson, formerly Manager of this concern.

## SUCCESSFUL COLLECTION LETTERS

barbershop. That's also why the lively, spirited collection letter gets far more attention than the prosaic, somber variety.

But a resultful collection letter must do more than attract the debtor's attention. It must arouse his interest and induce him to act. This is a big order. It requires the persuasive power that only an intensely human tone can generate. The energy and enthusiasm of the human touch (or, as someone has written it—the human “touch”) are brisk stimulants. They bring many a “dead beat” back to life.

There is no place in modern business for the cheerless, pessimistic collection letters of old. Their use retards the growth of any firm that provides credit facilities as a trade inducement. Businessmen laugh at the story of the merchant who established a credit department and then announced: “Credit will be cheerfully extended to persons over eighty when accompanied by their grandparents.” But many who chuckle at this “reckless” policy are equally shortsighted in the management of their own credit departments. Their antiquated collection methods lose them many customers who never come back.

In the highly competitive business world of today, the methods of 1890 are no match for modern, streamlined efficiency. Collection letters—just as much as sales-promotion letters—must deal with their problems constructively. To get results they must have vitality, enthusiasm, warmth, and personality. Let's give them these persuasive qualities! Let's make them human!

## V

### *"Checks Appeal"—Making Collection Letters Pull*

JUST as the letter selling merchandise relies upon appeals to powerful buying motives, the collection letter stakes its claim to persuasiveness on an effective appeal to a strong "paying" motive. Though the appeals for payment can be varied and combined in many ways, they actually boil down to five basic types:

1. The co-operation appeal
2. The fair-play appeal
3. The pride appeal
4. The self-interest appeal
5. The fear appeal

These are the collection writer's antidotes for credit maladies. They cure oversight, indifference, procrastination, laziness, and even deliberate "chiseling." And if the prescription is carefully compounded, the cure leaves no ill effects. But applying the tonic is only part of the job. Before that can be done, the case must be diagnosed. The collection writer must analyze the situation and decide what is causing the difficulty.



## SUCCESSFUL COLLECTION LETTERS

During the early stages of delinquency, the usual assumption is that the customer has merely overlooked paying his bill. So letters of the "reminder" type are usually brief. They mention the probability that the account has been overlooked and express confidence in the debtor's attention to it. Here are five representative examples:

Dear Mr. Blank:

This letter is just a friendly reminder concerning your May account, amounting to \$23.45. Doubtless it has been overlooked.

We know that we can depend upon your prompt attention to this matter, and we shall appreciate your remittance within the next few days. A postage-free envelope is inclosed for your convenience.

Cordially yours,



Dear Mrs. Blank:

Haven't you overlooked a little matter that you had expected to attend to before now?

It's very small—that bill of yours for March purchases—only \$9.85. We are sure you will accept this reminder in the friendly spirit in which it is sent.

Cordially yours,



Dear Mr. Blank:

Good customers like you, we have found, are always agreeably responsive when reminded that their accounts have become past due.

No doubt you have merely overlooked sending us your check for \$18.25 in payment of your September account, and we are sure we may depend upon your attention to it soon. Thank you.

Cordially yours,



## "CHECKS APPEAL"

Dear Mrs. Blank:

Making friends and keeping them are two of our most important aims. We want to be sure that, no matter what the occasion, nothing occurs to disturb this very pleasant relationship.

May we ask your attention to your account for March, which amounts to \$29.25. We think that perhaps you overlooked this bill, or that you may not know that our terms provide for monthly settlements.

We shall appreciate hearing from you soon.

Cordially yours,<sup>1</sup>



Dear Mr. Blank:

When one of our good customers lets an account run a trifle beyond the due date, we send a little reminder like this—and nearly always back comes a check in the very next mail.

The inclosed statement shows just how your account stands on our books. A remittance from you will be sincerely appreciated. You will send it today, won't you?

Cordially yours,<sup>2</sup>

Gentle reminders like these are all that many customers require, so it would be unwise to begin with anything stronger. But conventional letters of the "reminder" type are very similar in content, and their lack of individuality limits their effectiveness. To habitually careless debtors who are accustomed to receiving collection correspondence, such letters carry little attention or memory value. For this reason, many firms prefer a "change of pace" letter after a reminder or two of the standard type. Something unusual, they find, is more successful in gain-

<sup>1</sup> Presented by permission of Mr. E. A. Epstein, Hochschild, Kohn & Co., Baltimore, Maryland.

<sup>2</sup> Reprinted from "Painless Collection Methods for Slowpokes on the Ledger," by Maxwell Droke, *Sales Management*, September 15, 1936, by permission of the publishers and the author.

## SUCCESSFUL COLLECTION LETTERS

ing and holding attention. Here are numerous examples of unconventional reminders that produced results:

Dear Mr. Blank:

Doc\$ thi\$ little note from u\$ remind you of anything?

I\$n't there \$omething that you have meant to attend to—\$omething that ha\$ merely e\$caped your attention?

If you'll take ju\$t a moment right now—while the inclo\$ed po\$tage-free envelope i\$ before you—we'll \$urely appreciate it.

Amount: \$41.38

\$incerely your\$,



Dear Mr. Blank:

Speaking of tombstones . . .

We understand that in a small, weed-grown cemetery there is an old, discolored headstone that bears this epitaph:

Ye tongues may wag and slander stalk  
About these lonesome hills;  
But we'll not malign Ezekiel Falk  
Who always paid his bills.

And while we're on the subject . . . won't you send us that check for \$96.40? We'll appreciate it.

Sincerely,<sup>1</sup>

<sup>1</sup> Presented by permission of Mr. Donald G. McDonald, Evans and Brisebois, Detroit, Michigan.

## "CHECKS APPEAL"

330 EAST 22nd STREET



CHICAGO, ILLINOIS

January 13, 1941

Dear Subscriber:

While it's still January and most of our New Year's resolutions are still strong . . .

I hope you'll help us clean up our books before the regular year-end audit by "obeying that impulse" and mailing a check in payment of the enclosed invoice today.



Here is a stamp to make impulsiveness easy.

And here are our sincere thanks.

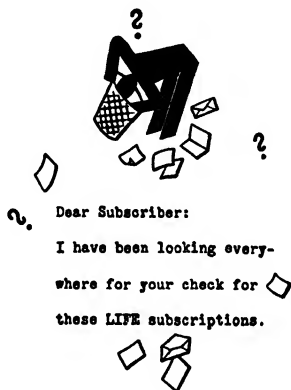
Cordially,

*Le Roy Parker*  
Credit Manager

LP-DA

*Reproduced by permission of Mr. Francis DeW. Pratt, Circulation Manager,  
Time, Inc., New York City.*

## SUCCESSFUL COLLECTION LETTERS



Dear Subscriber:

I have been looking everywhere for your check for these LIFE subscriptions.

Cordially,

*Le Roy Parker*

Credit Manager

*Reproduced by permission of Mr. Francis DeW. Pratt, Circulation Manager,  
Time, Inc., New York City.*

## "CHECKS APPEAL"

Dear Mr. Blank:

Don't apologize.

I send out dozens of reminders each month. Yes, and I receive them, too.

I haven't the slightest worry concerning either your willingness or ability to send me your check for \$2.67 for your eight months' subscription to *Time*.

My only worry is that you will overlook it again. Please accept this as a challenge to your concentration powers, and get that check in the mail.

Cordially,<sup>1</sup>



Dear Mr. Blank:

Along about this time of the year . . . when balmy June breezes "get you," and you feel like canceling all appointments and driving to the golf links . . . long letters are out.

So I'll just skip it

That's better. In fact, to make it still shorter  
—with just enough to cover the subject, like a debutante's dress—I'll jump down to

Here. That gives me just space enough to  
tell you how much I'll appreciate that check of yours for \$23.55. I know I can count on you. See you on the green.

Cordially yours,<sup>2</sup>

<sup>1</sup> Presented by permission of Mr. Nicholas Samstag, Circulation Promotion Manager, *Time*, Inc., New York City.

<sup>2</sup> Presented by permission of Mr. J. F. Horrigan, President, J. F. Horrigan Automobile Finance, Reading, Pennsylvania.

## SUCCESSFUL COLLECTION LETTERS



File 8-27

**The GATES RUBBER COMPANY**  
**Sales Division, Inc.**

Denver, Colorado

Mr. John Blank, Manager  
The John Blank Company  
Blankville, U. S. A.

Dear Mr. Blank

**R**emember those two previous reminders?

**E**mark this letter so it won't be overlooked, please.

**M**aintain your good pay record by

**I**nclosing your check for \$132.60 now.

**T**hanks.

O.C.Turner/omp

*O.C. Turner*  
Assistant Credit Manager

*Reproduced by permission of Mr. O. C. Turner, Assistant Credit Manager,  
The Gates Rubber Company, Denver, Colorado.*

## "CHECKS APPEAL"

File 628D



**The GATES RUBBER COMPANY**  
**Sales Division, Inc.**

Denver, Colorado



O.C.Turner/vmb

MR. JOHN BLANK, MANAGER  
THE JOHN BLANK COMPANY  
BLANKVILLE, U. S. A.

DEAR MR. BLANK.

WE DON'T MEAN TO "HOUND YOU,"

BUT OUR RECORDS SHOW YOUR

ACCOUNT STILL PAST DUE, AND

"DOG-GONE IT" WE NEED YOUR

CHECK FOR \$132.60 TO BRING

IT UP TO DATE.

IF YOUR PAYMENT IS ALREADY

ON ITS WAY, JUST THROW THIS

IN YOUR WASTE BASKET; IF NOT

WE ARE SURE YOU WILL APPRECIATE

OUR CALLING IT TO YOUR ATTENTION

AGAIN, AND THAT YOU WILL MAIL

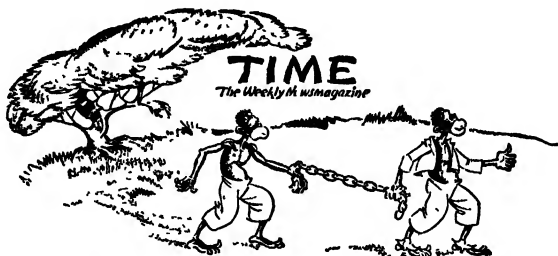
YOUR CHECK TODAY.

*O.C. Turner*  
Assistant Credit Manager

*Reproduced by permission of Mr. O. C. Turner, Assistant Credit Manager,  
The Gates Rubber Company, Denver, Colorado.*



## SUCCESSFUL COLLECTION LETTERS



Dear Subscriber:

Creditors are tough in Ethiopia.

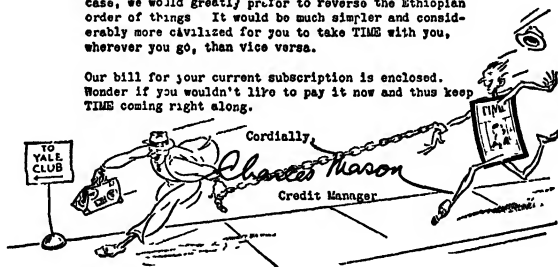
When an Ethiopian owes money, his creditor may take him in tow until he pays up. A chain is welded around the delinquent's wrist and from then on he is led about at the pleasure of the other fellow. When his custodian drops in for a soda, or its Ethiopian equivalent, he may be hitched like a horse, outside.

Such is the relation of debtor and creditor in the late kingdom of Haile Selassie, Power of Trinity I, Conquering Lion of Judah.

What happens when a ninety pound creditor gets hitched to a two hundred pound debtor is not explained in the current dispatches.

But it doesn't matter much, because in our particular case, we would greatly prefer to reverse the Ethiopian order of things. It would be much simpler and considerably more civilized for you to take TIME with you, wherever you go, than vice versa.

Our bill for your current subscription is enclosed. Wonder if you wouldn't like to pay it now and thus keep TIME coming right along.



CIRCULATION DEPARTMENT—330 EAST 57th STREET—CHICAGO ILLINOIS

Reproduced by permission of Mr. Francis DeW. Pratt, Circulation Manager,  
Time, Inc., New York City.

## "CHECKS APPEAL"

JOHN E. WOLF PRESIDENT

J. C. ROEMER VICE PRESIDENT

WOLF PLAN OF CUSTOMER CONTROL

AND OWNER FOLLOW-UP SERVICE

  
**JOHN E. WOLF**  
COMPANY

OKLAHOMA SAVINGS BLDG., SECOND AT ROBINSON  
OKLAHOMA CITY OKLA.



Mr. John Blank  
General Manager  
The Blank Company  
Blankville, Okla.

Dear Mr. Blank:

Here's a little "forget-me-not."

Won't you put it in a tall vase on  
your bookkeeper's desk as a reminder  
to send us that check for \$45.50?

We will surely appreciate it!

Sincerely yours,

*Jack Heary*  
Dealer Relations

*Reproduced by permission of Mr. John E. Wolf, President, The John E. Wolf  
Company, Oklahoma City, Oklahoma.*

## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

Here's a little collection paragraph we ran across the other day that might help you collect some of your delinquent accounts:

You need your money  
And I need mine.  
If we both get ours,  
All will be fine.  
But if you get yours  
And hold mine, too,  
What in the world  
Am I going to do?

If it's worth anything to you, that's fine. You're welcome!

Maybe this will enable you to collect at least one additional account, so you can pay the little balance of \$27.65 which you owe us.

That would be fine, too!

Cordially yours,<sup>1</sup>



Mr. John Blank  
1234 Blank Avenue  
Blankville, U.S.A.

Dear Mr. Blank:

Cordially yours,  
F. H. HILL Co., INC.

*G. R. Julian*

Treasurer

P. S. I'm practically speechless, but could whisper a hearty "Thank you" for your check for \$112.50 to clean up those old March items.

*G. R. J.<sup>2</sup>*

<sup>1</sup> Reprinted from *Printers' Ink*, March 23, 1939, by permission of the publishers.

<sup>2</sup> Presented by permission of Mr. G. R. Julian, Treasurer, F. H. Hill Company, Inc., Cleveland, Ohio.

“CHECKS APPEAL”

JOHN E. WOLF PRESIDENT

J. C. HOLMAN VICE PRESIDENT

WOLF PLAN OF CUSTOMER CONTROL

AND OWNER FOLLOW-UP SERVICE

  
**JOHN E. WOLF**  
COMPANY

OKLAHOMA SAVINGS BLDG SECOND AT ROBINSON  
OKLAHOMA CITY OKLA

Mr. John Blank  
General Manager  
The Blank Company  
Blankville, Okla.



Dear Mr. Blank:

The inclosed "bloodhound" ....  
.... is on the trail of a missing  
check.

He's a pretty good hound. His  
record up to now is practically per-  
fect.

You wouldn't want to spoil a  
good dog's reputation, would you?

Your balance is \$45.50.

Cordially,

*Jack Leary*  
Dealer Relations

*Reproduced by permission of Mr. John E. Wolf, President, The John E. Wolf  
Company, Oklahoma City, Oklahoma.*

# SUCCESSFUL COLLECTION LETTERS

JOHN E. WOLF PRESIDENT

I. C. HOLMAN VICE PRESIDENT



Dearest Relations  
*John E. Wolf*

Sincerely yours,

Don't you hurry your check along and help  
us to get straightened out!

.... we've written this upside down!

Good! We're so upset ....

.... and wondering about that account of  
yours, amounting to \$45.50.

We're upset, Mr. Blank!

Mr. John Blank  
General Manager  
The Blank Company  
Blankville, Okla.

Off.... ..

Chicago St. Louis Milwaukee Louisville Kansas City Minneapolis Omaha Denver Los Angeles Seattle

Reproduced by permission of Mr. John E. Wolf, President, The John E. Wolf Company, Oklahoma City, Oklahoma.

## "CHECKS APPEAL"

Dear Mr. Blank:

We had a Welsh Rarebit for supper yesterday. Last night a man with three eyes and a horn that sprouted from the center of his forehead, sat up on the foot of our bed and shook a long, pointed tail in our face.

Said he: "My name's Boogie. I'm hungry and I dropped in for a snack."

"All right," we replied, "go down to the icebox and help yourself."

"NO!" shouted this creature, slapping his tail on the bed covers with a resounding whack. "It's you I want to eat. Got anything on your mind you want to spill before I start?"

"YES!" we cried. "After you're through here, go on over and see Mr. John Blank, who signs the checks for The Blank Company. Tell him to write one out for \$50 and send it to Evans and Brisebois. If he refuses . . . haunt him!"

Cordially yours,<sup>1</sup>



Dear Mr. Blank:

An account is sometimes like a train. They are both late at times.

We are sending you this letter because your account of \$33.45 is a little overdue, and we are asking you just as you would ask a station master, "What time do you think she will roll in?"

How about sending us a payment saying "Here she comes now"? We'll appreciate it!

Cordially yours,



<sup>1</sup> Presented by permission of Mr. Donald G. McDonald, Evans and Brisebois, Detroit, Michigan.

## SUCCESSFUL COLLECTION LETTERS

Dear Mrs. Blank:

Spring, the "clean up" time of the year, is here. Even the boss has the fever. He thinks we ought to have a successful "clean up" campaign, and he really ought to know.

As spring is the season of softly spoken words, we casually mention the balance of your account—\$16.85.

Thank you!

Cordially yours,<sup>1</sup>



Dear Mr. Blank:

I know a sad case (or an amusing one, depending on your point of view) of a company that used a series of fifteen collection letters and a buyer who was an ardent student of business letter writing. He intentionally withheld his remittance until he had received letter No. 15 because he wanted to have the whole set in his collection.

Just in case there are any similar collectors on our customer list, we're making a tempting offer! If they will send a request along with their remittance, we'll mail them our whole set of collection letters in a plain wrapper.

Cordially yours,



Dear Mr. Blank:

The Mexicans say "Mañana—I'll do it tomorrow."

There's a little bit of that in all of us when it comes to taking care of statements. We know. We get a lot of them ourselves.

And once you put them aside for a day or so, it's easy to forget. This is only to remind you that the amount of our statement is \$24.75.

Cordially yours,<sup>2</sup>



<sup>1</sup> Presented by permission of Mr. W. E. Dull, Manager of Credit Sales, Stack & Company, Inc., Superior, Wisconsin.

<sup>2</sup> Presented by permission of Mr. B. F. Moran, Credit Manager, Maurice L. Rothschild, Chicago, Illinois.

## “CHECKS APPEAL”

Dear Mr. Blank:

An artist was employed to renovate and retouch some oil paintings in an old church, and when he sent his bill for \$89.50, he was informed that an itemized bill was required. He complied by sending the following statement:

For correcting the Ten Commandments.....	\$18.50
For renewing Heaven and adjusting the stars.	27.00
For touching up Purgatory and restoring the lost souls.....	32.25
For brightening up the flames of Hell and put- ting a new tail on the Devil.....	<u>11 75</u>
	\$89.50

Lest you may have forgotten our February bill of \$34.20, we shall be glad to send an “itemized” statement if you wish. Otherwise, we’ll certainly appreciate your check. May we have it, please?

Cordially yours,<sup>1</sup>

Whatever the make-up of the reminder, conventional or otherwise, its purpose is merely to jog the debtor’s memory. It makes no effort to convince him that his bill should be paid, since any such attempt would contradict the assumption that the delay is due to mere oversight. Letters of the “reminder” stage are unique in this respect, since every later step of the collection follow-up makes use of some definite appeal in an effort to induce payment.

The mildest of the five basic types is the simple appeal to co-operation. Its success depends upon the debtor’s sense of sportsmanship. Here are numerous examples that proved highly successful:

<sup>1</sup> Reprinted, with variations, from the *Member’s Bulletin* of the Direct Mail Advertising Association, Inc., New York City, by permission of Miss Jane L. Bell, Executive Manager.



## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:<sup>1</sup>

Just in case you haven't heard from the friends to whom you gave *Fortune* for Christmas, I thought you might like to know that your gift order was duly entered and fulfilled—

And that a copy of *Fortune* for January was sent to each of your friends.

I hope they enjoyed every word and every picture in it—and that they will continue to think of you each month when a new issue of *Fortune* arrives.

And now I hope you will take a minute to think of us. For as you read this, our auditors are hard at work trying to close last year's books—and it would certainly be a real favor and a very great help to us if you would let us have a check today for your Christmas gift subscription order.

Thank you!

Cordially yours,



Dear Mr. Blank:

Christmas seems a long time ago!

The Christmas candy has all been eaten, the books read, the ties hung on their racks and all but forgotten.

But one gift you gave last Christmas will go on giving pleasure for many months to come—your gift of *Fortune*.

Ten more issues are still to be delivered to each of the friends you remembered at Christmas with a gift of America's Magazine for Business. Ten more issues will carry your Christmas thought to your friends each month throughout the year.

But right now—before our regular year-end audit—it would be a great favor if you would help us settle the few remaining Christmas accounts on our books.

The inclosed postage-paid envelope is for your convenience, and I would very much appreciate your using it to send us your check today.

Cordially yours,



<sup>1</sup> The two letters that follow are units one and two in the collection series used by *Fortune* in following up unpaid gift subscription orders. They are presented by permission of Mr. Francis DeW. Pratt, Circulation Manager, *Time*, Inc., New York City.

## "CHECKS APPEAL"

Dear Mr. Blank:

Will you help me collect \$10,000?

You see, I'm "on the spot." The "Boss" put me there. He told me that I must reduce our accounts receivable by \$10,000 before January 31. Our fiscal year ends then.

That doesn't give me much time, does it? But I am counting on the co-operation of my friends.

Your part of this \$10,000 is only \$18.15.

Will you help me that much before January 31? I'll appreciate it.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

All of us like to see the checks rolling in regularly, and when a customer gets behind, we naturally wonder why. Usually there is a good reason for a delay in payment, and we have always tried to see the other side of it as well as our own.

For instance, take your account of \$64.40, which dates back to December 12. If it is impossible for you to send us a check, please write and tell us so. We like to hear from you. Maybe we can help you. If we can, all you have to do is let us know.

Every business, large or small, meets with difficulties at some time or other. If it weren't for the assistance of business associates—in other words, if the business world operated on the principle of every man for himself—none of us would survive for long.

Just now we are making a strong fight to make up for losses incurred in the recent Ohio River flood. Anyone in the Ohio Valley who escaped this disaster is indeed fortunate.

Back to your account—if you can possibly help us out with a check now, we certainly will appreciate it. A part payment will do. May we hear from you by March 1, please?

Cordially yours,<sup>2</sup>



<sup>1</sup> Presented by permission of Mr. R. H. McCollum, Office Manager, The Vahey Marsh Woods Co., Youngstown, Ohio. This letter was composed by Mr. Carl J. Schmid, formerly of the same organization.

<sup>2</sup> Presented by permission of Mr. Joe H. Coggin, Credit and Collection Department, George Koch Sons, Inc., Evansville, Indiana.

## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

Every time I have to write for financial aid, I recall the more or less distant school days when I found it so difficult to write a letter home. Never had any trouble composing a letter except when I had to ask for money. Then it was a task—and I've never been able to find the reason. Father and mother always sent it if they possibly could—and if they couldn't, they made me understand and sent a word of encouragement. Yet it has always been a task.

Of course, in those days I had only myself to worry about—whereas now I have to assume responsibility for the Company when Mr. Barnes and Mr. Ross are away.

So I am depending on you to take care of your March account, amounting to \$79.65, and I know I can count on your co-operation.

Just slip your check into the inclosed envelope—and thank you a lot.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

It is usually considered difficult to write letters about money, but I don't think there is any need for hesitation in times like these. Fairness and frankness on both sides will always avoid any misunderstanding.

As you know, your account with us is overdue. The times call for the fullest co-operation. If you need it, you will find us ready to go the limit of our resources to assist you over the rough spots.

At the same time, you will appreciate that we have many dealers and that we cannot extend unlimited time. Our problem is just the same as yours—we have to meet our obligations.

If you can send us your check for \$87.25, it will help us mightily. If you simply can't do it at this time, a note from you telling us when to expect it will be very much appreciated. We are vitally interested in keeping the credit of every one of our dealer friends in good standing.

Won't you let us hear from you either with a payment or with an explanation of your situation, so that we can help you to meet your problem to the best advantage of both of us?

Sincerely yours,<sup>2</sup>

<sup>1</sup> Presented by permission of Mr. W. R. McCullough, Secretary, The Barnes-Ross Company, Indianapolis, Indiana.

<sup>2</sup> Reprinted from *Printers' Ink*, June 22, 1939, by permission of the publishers.

## "CHECKS APPEAL"



### The GATES RUBBER COMPANY Sales Division, Inc.

Denver, Colorado

Mr. John Blank, Manager  
The John Blank Company  
Blankville U. S. A.

Dear Mr. Blank

This is Round-Up Time at the G A T E S ranch

Once a year, on November 30, the auditors come to look over our "Stock". Therefore, it is necessary for us to get all accounts that have strayed from our credit terms back in the "Bank Book" before that time.

We must have your cooperation in order to make a year-end showing of which we can truly be proud. In time of need, an ounce of cooperation is worth a pound of good wishes, and we are counting on your giving us this needed cooperation now.

If your check for \$132.00 covering our October 25 statement is already on its way to us, thanks very much. However, if not, we are sure you will do your best to get it to us before November 30 so your account can be brought PAID before the Round-Up is over.

Sincerely yours,

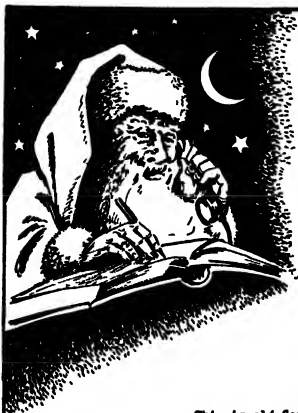
*O. C. Turner*  
Credit Range-Boss

O. C. Turner



Reproduced by permission of Mr. O. C. Turner, Assistant Credit Manager,  
The Gates Rubber Company, Denver, Colorado.

## SUCCESSFUL COLLECTION LETTERS



HELLO, Mr. Blank!

This is old Santa calling. There's just one thing I wanted to point out to you, concerning the "spirit" of Christmas.

Someone has said that "all the joy at Christmas time comes from giving, and not from receiving."

Personally, I think that's putting it a little strongly. We all like to receive something from others. Take, for example, the furniture you received from Hummel's on your account. It was a joy to receive, because it added beauty and comfort to your home; and they gave it to you in good faith, without demanding spot cash or burdensome payments.

Now that you've received their cooperation, it would be a nice gesture on your part to give them a little consideration this Christmas season.

If you help to fill their stocking with your overdue account payment, I'll see to it personally that you're rewarded with an extra remembrance in your own stocking.

See you soon,

*Santa Claus*

*Reproduced by permission of Mr. F. W. Schimpf, Jr., Manager of Credit Sales,  
L. Hummel's Sons, Pottsville, Pennsylvania.*

## "CHECKS APPEAL"

Dear Mr. Blank:

We feel a little guilty. We know that we must have "slipped up" on you somewhere along the line. And we pride ourselves on the fact that, big business or not, we should be completely human and completely aware of our customers' problems.

Specifically, we're talking about your May account, amounting to \$31.20. Won't you give us an opportunity to be of any further assistance that we can? There *must* be something helpful that we can contribute to the problem.

We really want to co-operate, and we're sure that you do. So won't you come in to see us or write us a few lines today?

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

Invoices open for November,  
December, and January—  
Total \$153.24.

The line opposite represents  
the time that has elapsed  
since your purchases of material.

It makes rather a long line,  
doesn't it?

How about erasing that line  
or at least shortening it?

All it will take is your check,  
and we'll certainly appreciate  
your co-operation in sending  
it along now. Thank you.

Today's date—April 15

Sincerely yours,<sup>2</sup>



<sup>1</sup> Presented by permission of Mr. Charles B. Dulcan, Sr., Vice President and General Manager, The Hecht Co., Washington, D. C.

<sup>2</sup> Presented by permission of Mr. Loring D. Roberts, Credit Manager, John H. Sperry Company, Boston, Massachusetts.

## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

We like to think that you are not only one of our customers—but one of our friends, too—and that you are just as pleased to hear from us as we are when one of your letters is in our morning mail.

When an account like yours extends beyond our regular 30-day period, we want our “May we have your check, please” to reflect the same courtesy and friendliness as our letters soliciting your business.

A statement of your account is attached. Your co-operation in sending a check today will be sincerely appreciated.

Cordially yours,<sup>1</sup>



Dear Mrs. Blank:

We have tried to be courteous and considerate in requesting the settlement of your May account, which amounts to \$33.40.

We fully realize that unforeseen situations arise sometimes to prevent a person from carrying out his honest intentions to pay his bill. If this is your case, won't you please let us know at once, so that we can come to some definite understanding about the settlement of your account?

You may count on our fullest co-operation; may we have yours also?

Yours sincerely,<sup>2</sup>



<sup>1</sup> Presented by permission of Miss Fileen Clifford, Sales Promotion Director, Crystal Tube Manufacturing Co., Chicago, Illinois.

<sup>2</sup> Presented by permission of Mr. H. J. Schrupp, Credit Manager, McKale's, Inc., San Francisco, California.

## “CHECKS APPEAL”

Gentlemen:

Despite the glowing ads of some of our professional letter writers, we don't take much stock in the so-called “high-powered” collection letter.

It seems to us that all that should be necessary is a reminder to our friends that their account is past due and that we need their check to go with the other fellows' to pay our bills and keep on navigating.

A statement of your account is inclosed and we'll certainly appreciate your co-operation in the good old way—“a check to cover.” Thanks a lot.

Cordially yours,<sup>1</sup>



Dear Mr. Blank:

The new treasurer wrote a letter, and 50 per cent of those in arrears to the church paid their pledges. He wrote another, and all but one paid up. Then he wrote a third letter, and the last man sent his check.

Shortly afterward, the pastor was invited to dinner at the home of the treasurer's final victim.

“You have a new treasurer at the church now, haven't you?” inquired the host.

“Yes,” answered the minister, undecided as to how the congregation felt toward him.

“He writes a convincing letter,” remarked the host, “except that he can't spell.”

“Is that so?” said the pastor.

“Yes, he ought to be corrected on that,” replied the host seriously. “He spelled *lousy* with a *z*, *skunk* with a *c*, and put only one *t* in *rotten*.”

There's nothing wrong with our spelling, Mr. Blank, but we don't believe in the church treasurer's technique. Instead, we have been just as courteous and considerate as we knew how in reminding you of your past-due account.

So won't you take just a moment right now—while the inclosed reply envelope is before you—to mail us your check for \$23.15. Your co-operation will help us a lot and we'll appreciate it. Thank you!

Cordially yours,



<sup>1</sup> Presented by permission of Mr. E. M. Walsh, Credit Manager, Geo. D. Barnard Stationery Company, St. Louis, Missouri.



## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

Monthly charge accounts for automotive products represent a service which McKale's is happy to extend to certain preferred customers at no additional cost.

We are glad to see that you have been making regular use of your account and hope you are enjoying the many conveniences it affords. We are anxious that you continue to receive and enjoy this service.

In order to make this possible, however, it is necessary that our customers co-operate with us by paying their accounts in full promptly every month. We note that your account is past due \$45.30 for purchases made in April.

The immediate payment of this balance will assure the continued convenience of your account and will be sincerely appreciated.

Cordially yours,<sup>1</sup>



Dear Mr. Blank:

Somewhere back in my "knee-high-to-a-grasshopper" days, I saw a picture of a disconsolate looking little boy. It was captioned "Nobody loves me—I'm going out in the garden and eat worms!"

Many times since I joined that necessary but unloved clan known as credit managers, I've thought about that picture—and if the truth be told, felt as I imagine that little boy did.

Today is that kind of a day—it's the first of the month, which is a credit man's blue Monday, and since collections aren't quite what they should be, I'm not very popular with the boss.

Much as I dislike bothering folks for money, there's not much else I can do. So won't you help me out of the "dumps" by sending your check for \$54.50 in payment of those past-due items on your account?

I'll surely appreciate it—thanks a lot!

Cordially yours,<sup>2</sup>



<sup>1</sup> Presented by permission of Mr. H. J. Schrupp, Credit Manager, McKale's, Inc., San Francisco, California.

<sup>2</sup> Presented by permission of Miss Eileen Clifford, Sales Promotion Director, Crystal Tube Manufacturing Co., Chicago, Illinois.

## “CHECKS APPEAL”

Dear Mrs. Blank:

There is a tradition here at Forman's that everything we do should be prompted by the friendliest of feelings. The Credit Department subscribes most heartily to this ideal.

It is, therefore, with a genuine regard for you as a friend and patron that we request your attention to your account. The unpaid balance is \$23.56.

Is there anything we can do to help you? Our careful and courteous consideration will be given to your suggestions.

Sincerely yours,<sup>1</sup>

It's pretty hard for a self-respecting debtor to overlook such fair, friendly requests for co-operation, especially since you are not asking a special favor, but are merely requesting in a courteous way what is more than due you. The customer realizes all this, and he'll appreciate your courtesy and patience if his sense of sportsmanship is in any kind of working order.

But good intentions, unfortunately, do not pay bills. There's many a slip between even the most honest resolution and the checkbook. Then, too, there may be another reason for continued delay. Perhaps financial difficulties are holding up payment. Lots of people spend each month's salary twice—once before they receive it and again afterward.

Somewhat stronger than the co-operation keynote is the appeal to fair play. The letter that uses it ordinarily reviews the details of the incomplete transaction, emphasizing the fact that goods or services were made available on liberal credit terms, and pointing out that every courtesy and consideration have been shown in requesting attention to the account.

Such a background adds strength to the appeal for payment. It enables you—without any trace of harsh

<sup>1</sup> Presented by permission of Mr. Leonard Berry, Credit Manager, B. Forman Co., Rochester, New York.

## SUCCESSFUL COLLECTION LETTERS

words or tactless statements—to make the debtor realize the contrast between your actions and his. This realization is a powerful challenge to the self-respect of any fair-minded person. Since he appreciates fair treatment himself, he feels a natural inclination to respond in the same spirit. But your appeal must be subtle to get results. There's no pulling power in the "How-can-you-treat-us-this-way?" attitude of self-righteousness. True enough, you need to make the debtor feel the uneasiness of a guilty conscience, but you must also make him believe that his disquieting thoughts are the products of his own reasoning.

It is always a possibility, of course, that the customer has not paid his bill because he is short of funds. If this is the reason, it will take more than persuasion to remedy the cause of delay, but the effective use of the fair-play appeal makes it difficult for him to remain silent, especially if you include a friendly request for an explanation if there is some reason why payment cannot be made. Such a request, based upon your desire to co-operate in solving any difficulty, makes it hard for him to ignore your letters and still live with his conscience. Here are several good examples of the fair-play appeal at work.

Dear Mr. Blank:

Probably you have some customers whose accounts are past due at this very moment. Yet you hesitate to press them for payment, since you know they have every intention of meeting their obligations.

That's exactly the position I am in right now, Mr. Blank. I haven't a doubt in the world that you intend to pay your account in full. But you can realize, I am sure, the added strain that a two-month delay places upon us. Like most business houses, we depend upon our customers to pay us promptly so that we can settle our obligations in the same way.

## "CHECKS APPEAL"

Naturally, we want to maintain the highest possible level of service—the standard that assures you of quality merchandise at low prices. Your check now for \$146.45 will help us continue to do this, and I feel sure that you will recognize the fairness of this request.

Won't you take just a moment, while this letter is before you, to turn my confidence into appreciation?

Sincerely yours,



Dear Mr. Blank:

It may be a "bromide," but it's true, nevertheless, that "there are two sides to every question."

For the last two months—in writing to you about your November account—I've done my best to see your side of the question. Knowing that expenses are heavy at the end of the year, I've tried to be patient.

But now, for just a moment, won't you look at my side of the situation? That bill of \$43.35 represents a definite investment on my part. It cost me money to provide the merchandise that you bought, as well as the service that went with it. And since that time, it has also cost me money to carry your account considerably beyond the due date and to send you frequent reminders about it.

Since I've done my part, isn't it perfectly reasonable to ask that you do yours? That's only fair, isn't it?

So won't you mail your check today in the inclosed postage-free envelope? I'm counting on you!

Sincerely yours,



Dear Mr. Blank:

Before you read this letter, please glance at the attached statement. It is more than 90 days past due.

You probably haven't realized how long you have allowed this account to run. We have written to you twice and sent statements four times.

Just put yourself in our shoes. Haven't we done more than our share? Haven't you done less than yours?

Please meet us halfway and make it a 50-50 proposition by sending your check or an explanation.

Sincerely yours,<sup>1</sup>



<sup>1</sup> Reprinted from *Printers' Ink*, July 28, 1939, by permission of the publishers.

## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

You know it's the usual thing, when no answer is received to a collection letter, for most people to josh themselves into thinking that it was overlooked.

But I am frank enough to admit that I believe you did not answer my letter with a check because, perhaps, you didn't have the money right then. Am I right?

You see, I am taking it for granted that you would feel just as we do if conditions were reversed, so I am appealing to your sense of fairness.

Don't you think it is only fair to send what is due, after we have waited for so long a time?

Think it over, Mr. Blank, and if you can't send a check today, won't you please let me know when to expect one. This little courtesy will take only a moment, and we shall certainly appreciate it.

The addressed envelope is for your convenience.

Yours sincerely,<sup>1</sup>



Dear Mr. Blank:

Don't you really think you owe it to yourself to get in touch with us and make some arrangement for the settlement of your March account, amounting to \$33.44?

We like to be accommodating—and we will go the limit to help out our friends—but we must collect our accounts if we are to keep up with our own expenses.

We had to pay the mining company long ago for your coal; we also had to pay the freight bill, and our payroll must be met every week.

So aren't we being perfectly fair and reasonable in asking that you help us out by paying this account?

Won't you send us your remittance today—and maintain our pleasant relationship?

Sincerely yours,<sup>2</sup>



<sup>1</sup> Reprinted from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millions of the Executive Department. This letter was used by the Davis-Birely Table Co., Shelbyville, Indiana.

<sup>2</sup> Presented by permission of Mr. M. L. Patton, Vice President Cabin Creek Consolidated Sales Co., Cincinnati, Ohio.

## "CHECKS APPEAL"

Dear Mr. Blank:

They say a change now and then is good for everybody. So let's suppose for a moment that you are Credit Manager of The Bates & Barlowe Company.

Mr. John Blank is a good customer of yours—one whose account you value. You've done business with him for a long time and you appreciate his loyal patronage. But right now he has you puzzled—he has not settled his April bill for \$75.90 with his usual promptness. You've sent him several reminders—but no reply.

What are you going to do next? Why not tell him frankly and honestly just the predicament you're in? He'll understand that you, too, have obligations to meet, and that you are depending on payments from your own customers to help you do so. You might also explain that you have filled his needs on liberal credit terms, given him the best service you know how to render, and waited patiently for your money for more than two months.

Will he respond now? We believe he will, for he'll be sure to realize your position, and his past credit record proves that he has an active sense of fairness. In fact, we have found that our own good customers are quick to respond when we explain the situation in this way.

Sincerely yours,



Dear Mr. Blank:

It has often been said that "Silence Is Golden," but do you think it applies to our case? It's fine to be an optimist and not talk about hard times, poor collections, and slow running time—but it sometimes puts the other fellow in this frame of mind: "That man isn't trying very hard to co-operate—he won't even answer our letters."

We know this is not your case, Mr. Blank. We realize you are hard pushed and that your own collections are slow. Yet, when we try to help you by suggesting that you pay a small amount each month until your account is paid up—you don't answer our letter, saying that you'll try to make this small payment each month or telling us to go jump in the well or anything else.

Won't you let us have an expression from you as to what you intend to do? Please write to us. Call the stenographer now, before you forget it! Or better still, get out the old checkbook and write us a check for \$97.61. We'll certainly appreciate it.

Sincerely yours,<sup>1</sup>

<sup>1</sup> Reprinted from *Printers' Ink*, April 13, 1939, by permission of the publishers.

## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

There's a lot of fun in serving our many customers, and we enjoy doing it to the very best of our ability. But there's one duty that we'd gladly sidestep if we could—that of reminding a good friend of an overdue indebtedness.

There is probably some very good reason why our bill for \$22.75 has not been paid; but unless you tell us about it, we must guess the reason, and you know how often guesses are wrong.

In good faith we extended to you the courtesy and convenience of credit in connection with your fuel requirements. We completed our part of the contract. Won't you justify our good faith and help us now by cleaning up this bill?

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

What would *you* do?

If our positions were reversed, and we had owed you \$47.10 ever since last April 15, and had not responded to your numerous requests for payment, what *would* you do?

Yes, we could take the same steps—but—knowing you and your dependable past record with us, we'd rather depend upon your fairness and willingness to do the right thing.

Why not tell your bookkeeper to make out a check for \$47.10 and mail it today? Thank you!

Sincerely yours,<sup>2</sup>



Dear Mr. Blank:

A request for a check, in times like these, isn't always welcome. But let me put it this way:

I rendered you a service. I paid cash for materials and supplies, and for labor, in rendering that service.

Am I unreasonable in asking you to pay me, in turn?

<sup>1</sup> Presented by permission of Miss Olive M. Bennett, Director of Credit Sales, George W. Pickering Company, Salem, Massachusetts.

<sup>2</sup> Reprinted from *Printers' Ink*, May 25, 1939, by permission of the publishers.

## “CHECKS APPEAL”

Now that I've done my part, I'm sure you'll want to do yours by sending me your check in payment of the inclosed account. I'll certainly appreciate it.

Sincerely yours,<sup>1</sup>

The recipients of these letters couldn't possibly become offended at their tone or content. Yet each letter makes a strong appeal for action—an appeal based upon the inherent desire of every normal human being to be fair, especially when fairness is only an act of reciprocity for the honest and courteous treatment already accorded him.

But a world populated by none but the fair-minded would be Utopia; in such a paradise there would be no debts. In the world of reality there will always be some whose sense of fairness is eclipsed by sheer selfishness. Such persons will cling to the use of their money as long as possible. Others have an amazingly flexible concept of fair play—active when the payment of a bill is not inconvenient in any way and extremely lethargic when settlement of an account involves a little special planning and extra effort on their part.

Any appeal based primarily upon the desires or best interests of the creditor—such as the co-operation or fair-play appeal—will be wasted on a person whose interests are entirely self-centered. He is not concerned with the needs or problems of anybody but himself; he is not interested in the effects of unpaid bills upon the business of his creditor. To get action from him, the appeal must touch his own self-interest—it must translate the situation into terms of its meaning *to him*. In other words, it

<sup>1</sup> Reprinted, with variations, from *Business Letters*, by Walter Kay Smart and Louis W. McKelvey (Harper & Brothers, 1933), through permission of the publishers and the authors. This letter was composed by Mr. E. W. Husen, Editor, *The Post*, Detroit, Michigan.



## SUCCESSFUL COLLECTION LETTERS

must be the very essence of the "you" attitude, interpreting the entire problem from the debtor's angle of vision. The three remaining appeals—pride, self-interest, and fear—represent a complete concession to the customer's point of view. They differ only in intensity.

Mildest of the three is the appeal to pride. It is the most subtle because it carries the lowest voltage. There must be no suggestion of high-pressure methods, since any hint of a threat is fatal to the pride impulse. Instead, the debtor is usually reminded of the good credit reputation he has established by virtue of dependability in meeting his past obligations. Such a compliment has a wholesome effect on any normal person. It centers his attention upon your message and places him in a receptive frame of mind. Then your letter may proceed with an expression of your interest in helping him preserve a credit record that has been built through conscientious effort on his part.

Such an appeal is hard to resist. Even the creditor is offering to co-operate in protecting a reputation that the customer has reason to be proud of. It's only natural to respond when one realizes that prompt action will keep his good record intact.

The very fact that the debtor's past performance has been reliable is a good indication that this potent appeal will strike a responsive chord, for pride and self-respect play a big part in the building of a sound credit record in the first place. It's easy to see why an appeal to pride—smoothly and tactfully presented—is so effective in getting results. It goes directly "home," confirming the debtor's belief in his own importance. Here are a number of highly successful collectors that rely on the pride appeal:

## "CHECKS APPEAL"

Dear Mr. Blank:

We admit it's difficult . . . and that sometimes we don't make the grade . . . but in spite of being a big store, we do try to understand the problems of our individual customers.

Take you and your account, for instance. It's true that no payment has been made since January 1. But your careful attention to your bills in the past is ample proof that you are conscientious in meeting your obligations. So we feel sure there must be some good reason why we have not heard from you . . . some reason that we don't understand.

We think we can help. It will take you only a moment to tell us the facts . . . but it will help us to protect your good credit and your standing in the community. Even if you can't pay the entire \$31.20, won't you write and tell us what the trouble is . . . and what we can do to help?

Sincerely yours,<sup>1</sup>



Gentlemen:

First impressions are always important.

You know how you judge a salesman when he first comes in to see you. And you know how often the best friends we have are those we took to right from the start.

Your first order to us for Gillette tires, back in May, pleased us very much. Your letter and all that we knew about you indicated that you were the type of people we would like to work with closely.

We still feel that way. But there is a danger we should guard against. That invoice amounting to \$108.50 and on net 30-day terms has now stretched to 60 days and deserves attention.

May we have it, please?

Thank you.

Sincerely yours,<sup>2</sup>



<sup>1</sup> Presented by permission of Mr. Charles B. Dulcan, Sr., Vice President and General Manager, The Hecht Co., Washington, D. C.

<sup>2</sup> Presented by permission of Mr. A. M. Paul, Manager, North American Lubrication Co., Limited, Winnipeg, Manitoba. This letter was composed by Mr. R. G. D. Anderson, formerly Manager of this concern.

## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

I am sure you'll agree with me that a good credit rating is never an accident. On the contrary, it is a well-merited reward of honest dealing, efficient management, and conscientious attention to one's obligations over a period of years.

You have an enviable credit rating—and your past good record with us has helped to build it. We know you want to preserve this important asset and we want to help you.

The quickest and best way, of course, would be to slip your check for \$145.35 into the inclosed postage-free envelope and mail it today. But if you just can't make it right now, won't you tell us the situation? You'll find us ready and glad to co-operate, and we'll be much better able to do so if we understand the circumstances.

One way or the other, please let us hear from you. Whatever your problem may be, two heads will be better than one in solving it to our mutual benefit and satisfaction.

Sincerely yours,



Dear Mr. Blank:

Do you like statistics? These may interest you.

87% of our charge customers pay their bills on or before the tenth.

7% hold off until about the twentieth of the month.

2% let their accounts carry over until the next month.

5% take even longer.

You can see, then, why we are writing you. Your account, amounting to only \$13.70, is getting dangerously near that 2% group.

We are confident that you do not want to identify yourself with such a minority element.

Cordially yours,<sup>1</sup>



<sup>1</sup> Presented by permission of Mr. E. G. Losse, Credit Manager, Wadhams Oil Company, Milwaukee, Wisconsin. Reprinted from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millians of the Executive Department.

## “CHECKS APPEAL”

Dear Mr. Blank:

Procrastination—the killer of your time and ours, too. It costs us both money, and nobody gains.

I know you intend to pay the inclosed account eventually, but that difference between “eventually” and “now” is what marks the line between the “gilt-edged” credit rating and the “guilt-edged” one.

You want to remain in the “gilt-edged” class, even though you do not immediately seek further credit anywhere. It is such a pleasant feeling to know that one is a “preferred risk,” and that any house will be glad to extend credit privileges at any time.

Don’t slip out of that class. In fact, our “slow-pay” file won’t even have a record of your account if you will send your check along right now in the inclosed envelope.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

That cold-blooded, hard-headed old codger named Mr. Experience has whispered to us that when there is no response to several requests for payment of a bill—no matter how small—the thing to do is to take your “licking” and charge that account off the books.

On the other hand:

That cheery, optimistic fellow, old Mr. Honor, counsels us to pin our faith to the belief that a man never goes back on his pledge to pay a just business debt. There is usually a real excuse for his delay. He may be careless, or just simply slow on such matters, but, in time, he always comes through. Just keep on asking.

We have decided to follow old man Honor’s advice and so—here’s our fifth request for payment of the inclosed bill.

Sincerely yours,<sup>2</sup>



<sup>1</sup> Presented by permission of Mr. Louis F. Fowler, Treasurer, United Business Service, Boston, Massachusetts.

<sup>2</sup> Presented by permission of Mr. Thomas F. Lyons, *Barron’s*, Boston, Massachusetts.

## SUCCESSFUL COLLECTION LETTERS

Dear Mrs. Blank:

The excellence of your previous record for prompt payment occasions this letter to ascertain whether there has been any misunderstanding about your account for September, amounting to \$34.10.

From past experience we know we can depend on you to give this matter prompt attention.

Cordially yours,<sup>1</sup>



Dear Mr. Blank:

"Thank you for your check"—

That's the letter we intended to write you today, but we can't. Sad, but true, our Credit Department reports that your check for \$57.35 has not yet been forthcoming.

Perhaps it's already in the mail or on your desk awaiting your signature. It should be in one of those places because your account is past due.

Will you look into the matter today—so we can write you that "Thank you" letter?

Cordially yours,<sup>2</sup>



Dear Mrs. Blank:

As a Schuster charge customer you are one of a select group. You were selected because we were confident of your desire to pay your accounts promptly when due.

We believe you have patronized us because you had confidence in us and in our willingness to be fair to our customers.

It is our sincere desire to maintain this mutual feeling of confidence and we are sure you want it maintained.

Won't you help us by getting in touch with us within the next day or two or by sending your check for \$27.95 to bring your account up to date?

Sincerely yours,<sup>3</sup>



<sup>1</sup> Presented by permission of Mr. A. F. Reesman, McNeany Dry Goods Co., Beloit, Wisconsin.

<sup>2</sup> Presented by permission of Miss Eileen Clifford, Sales Promotion Director, Crystal Tube Manufacturing Co., Chicago, Illinois.

<sup>3</sup> Presented by permission of Schuster's, Milwaukee, Wisconsin.

## "CHECKS APPEAL"

Dear Mr. Blank:

In the first place, we believed you were entirely reliable and worthy of credit, or we should not have granted it.

In the second place, we still believe this, or we should be seriously concerned about your past-due account.

In the third place, won't you send us your check for \$33.40 today and prove that we were right in the first place?

Sincerely yours,<sup>1</sup>



Dear Mrs. Blank:

We want this letter to convey to you the sincere appreciation we feel for your patronage and goodwill. We hope that everything we do will contribute to this happy relationship and to your enjoyment of your charge privileges.

While your account is not causing us any concern, it does show a past-due condition of which you may not be aware, and your regard for your credit standing must make you want to bring it up to date. The past-due balance is \$14.55.

We shall be grateful for your check, which will restore your account to its customary excellent standing.

Yours cordially,<sup>2</sup>

These letters brought checks from many who had ignored several earlier appeals, and a large number of the payments were accompanied by expressions of appreciation for the creditor's co-operative spirit and interest in preserving the debtor's credit standing. How can any collection letter be more successful than that which induces payment and brings forth, at the same time, a few words of thanks from the delinquent customer?

<sup>1</sup> Reprinted, with minor variations, from *Correct English*, May, 1935, by permission of the publishers. This letter was composed by Mr. D. M. Liblick, formerly Sales Manager of Imperial Chevrolet Sales, Inc., Sciotoville, Ohio.

<sup>2</sup> Presented by permission of Mr. Leonard Berry, Credit Manager, B. Forman Co., Rochester, New York.

## SUCCESSFUL COLLECTION LETTERS

But even a well-presented appeal to pride may fall upon deaf ears. There's a first time for everything, including serious financial delinquency. Perhaps the same combination of adverse circumstances that caused the delay in payment has also paralyzed the debtor's sense of pride. In this case he must be given a stronger incentive to meet his obligation, or at least to co-operate with his creditor in arranging new terms of settlement.

A direct appeal to the debtor's instinctive self-interest is now in order. He must be convinced that immediate attention to his past-due account is very much to his own best interests. Your message may explain what he will gain by immediate payment; it may point out what he will lose by further delay; it may even present the sharp contrast between the results of these alternatives by outlining the effects of each one. The compelling advantage of immediate settlement, of course, is the preservation of the debtor's credit privilege—an invaluable asset to a business house and a material convenience to the consumer. The unfortunate consequence of continued delay, on the other hand, is the loss of this privilege.

Even the debtor who is not interested in co-operation or fair play and whose sense of pride has developed a short circuit will usually have a keen interest in maintaining a relationship of great advantage to him. So the appeal to the debtor's self-interest usually has two objectives—to point out the value of the credit privilege *to him* and to convince him that further delay will impair his right to its advantages. Here are several letters that stimulated action through a forceful appeal to self-interest:

## “CHECKS APPEAL”

Dear Mr. Blank:

We appreciate the business you have given us and hope that we shall be able to serve you in the future.

So naturally we regret the fact that your account of \$178.50, now three months past due, is still unpaid. This places us in a difficult position, since we carry a policy issued by the American Credit Indemnity Company of New York, which protects us against loss through the inability of our customers to pay their accounts.

There is a clause in this policy which makes it obligatory for us to notify the Company whenever an account remains unpaid for a specified period after the due date.

Whatever our personal feelings may be, we have no option in the matter.

If you will send us your check at once in the inclosed prepaid envelope, it will arrive within the time limit set out in the policy. Prompt action on your part will preserve one of your most valuable assets—your credit standing. On the other hand, your continued silence will force us to report the status of your account to the Company. Such a step can have only an adverse effect upon your credit and your buying power.

We don't want to do this any more than you want us to. We feel confident you will realize both your position and ours in this matter, and that you will avoid making it necessary for us to report your account as being in arrears.

Sincerely yours,<sup>1</sup>



<sup>1</sup> Presented by permission of Mr. W. M. Read, Howe Candy Co., Limited, Hamilton, Ontario. Reprinted, with minor variations, from “The Best Collection Letter I Ever Used,” a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millions of the Executive Department.



## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

In a small Georgia crossroads store a Negro proprietor put up this sign:

“Kwitten the credick bizness  
till I gits my outs in.”

He is selling to the local residents who purchase for consumption and not for trading. A merchant, however, buys entirely on a credit basis and it is therefore much more important that he maintain a good credit standing and reputation.

You have a balance with us of \$71.45, covering an August 4 invoice which is now three months past due.

We want to continue to ship merchandise to you on credit terms rather than adopt the Negro's policy.

Your credit standing is worth money. Your check for \$71.45, mailed today, will help to protect it.

“Today's action is tomorrow's gain.”

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

As members of the Retail Credit Association we are required to make regular reports of all charge accounts which have become seriously past due. This action, of course, has an adverse effect upon one's credit standing, both in this community and elsewhere.

We don't want to see your credit reputation injured, Mr. Blank, but unless your account is paid without further delay, we'll have no choice in the matter. Your November account, almost three months past due, is just a few days from the deadline. Only your immediate co-operation will prevent a step which we would regret to take.

So won't you safeguard your credit privileges, both at this store and elsewhere, by mailing us your check for \$33.85 today?

Sincerely yours,



<sup>1</sup> Presented by permission of Mr. A. E. Bark, Comptroller, Prentiss Wabers Products Co., Wisconsin Rapids, Wisconsin.

## "CHECKS APPEAL"

Gentlemen:

"Do they pay promptly?"

It is nothing unusual for us to be called upon, by mail or telephone, to tell of our credit experiences with this or that jobber.

In fact, these requests come in every day, and we are HONOR-BOUND to give an honest and complete reply. What should we say if a request were to come in asking about you? There's a balance of \$58.85, due us ever since last January 20.

Won't you clear it up, please! We never can tell, you know—a call about you may come in tomorrow.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

Reputation is peculiar. Now you have it; now you haven't. It takes years and years to build a good one, but just a few bad deeds can ruin it.

Similarly with credit standing. Undoubtedly there has gone into the building of your good credit reputation quite a few years of conscientious payment, and several years, at least, of struggle and hard work.

Yet, just a few past-due items, such as the small amount that you owe us, can destroy in a short time all the effort you have expended.

Isn't the amount too small for such a large risk?

We are inclosing a stamped, self-addressed envelope for your convenience. Won't you please send us your check for \$54.75 today?

Sincerely yours,<sup>2</sup>



<sup>1</sup> Reprinted from *Printers' Ink*, May 25, 1939, by permission of the publishers.

<sup>2</sup> Presented by permission of Mr. Seymour Goldberg, National Soda Straw Company, Chicago, Illinois. Reprinted, with minor variations, from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millians of the Executive Department.

## SUCCESSFUL COLLECTION LETTERS

# OWNING!



February 18, 1936

Just one little letter,

Poticker ...

..... added to the word "owing" changes it to "owning". But what a big difference that one little letter makes.

You have set a goal for yourself - to own the furniture purchased from us for your home, in a certain length of time. Let's not lose sight of this goal. You have fallen slightly behind in your payments. It is easier to catch up now while the handicap is not great.

If you will give us a payment on the amount indicated at the bottom of this letter you will be several steps forward towards "OWNING" your furniture. Take those steps today.

Cordially yours,

*F. W. Schimpf, Jr.*  
Credit Manager.  
L. Hummel's Sons

Amount due \$37.00

### HUMMEL'S

*Good Furniture*

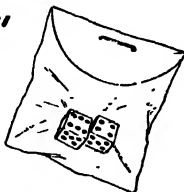
510 North Centre Street  
POTTSVILLE, PA.

Reproduced by permission of Mr. F. W. Schimpf, Jr., Manager of Credit Sales,  
L. Hummel's Sons, Pottsville, Pennsylvania.

## "CHECKS APPEAL"

IT DOESN'T PAY TO "Gamble"

...with your credit rating!



You know, Mr. Blank --

One of the finest assets you could possibly have -- one of the greatest conveniences in life -- is a good credit rating with a friendly store like Hummel's.

The "good name" you have earned with us offers you the privilege of buying whatever furniture you want, to make your home more beautiful and more comfortable -- whenever you want it -- instead of "waiting" until you can save up the ready cash.

That's why it would be foolish for you to "gamble" with your good name. I know that you want to enjoy a high credit rating with us for a long time to come, so I am sending you this friendly little reminder about your past-due payments.

I know that you intended to make a payment before this, because you are usually so prompt. But time has been slipping by without word from you and your account is running longer than the period in which you agreed to take care of it.

So we will greatly appreciate receiving a payment from you this week. In that way you won't be gambling with your credit rating!

Cordially,

*F. W. Schimpf, Jr.*

Credit Manager

**HUMMEL'S**  
*Good Furniture*

510 North Centre Street  
POTTSVILLE, PA.

*Reproduced by permission of Mr. F. W. Schimpf, Jr., Manager of Credit Sales,  
L. Hummel's Sons, Pottsville, Pennsylvania.*

## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

Here is a matter which is very important to you in two ways.

First: It has an important bearing on your credit record.

Second: By bringing your account up to date and paying promptly on the tenth of each month hereafter, you can take advantage of our very liberal cash discount of 5%. This saving to you is well worth the extra effort.

We'd much rather not write about your account, on which \$67.85 is now past due. But we are sure you will understand that after:

Buying raw materials,  
Hiring labor,  
Manufacturing the goods,  
Sending the goods to you,  
And extending credit terms,

we must now ask you please to complete your part of the agreement so we may continue buying, hiring, manufacturing, shipping, and extending more credit to you.

We've reminded you of this past-due amount several times and have waited pretty patiently, don't you think? Won't you please take care of it right away.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

"Amount Past Due.. . . . . \$\_\_\_\_\_"  
"Manner of Payment..... \_\_\_\_\_"

What answer could we, as members of the National Association of Credit Men, give to these questions if we should receive an inquiry from the credit department of another concern, asking about the advisability of opening an account with you?

You realize that it is a matter of vital importance to your future expansion to have your credit on a firm foundation. And you realize, too, that the foundation of credit is the prompt payment of accounts.

<sup>1</sup> Presented by permission of Mr. A. G. Doering, Assistant Credit Manager, The Gates Rubber Company, Denver, Colorado.

## "CHECKS APPEAL"

Your account for July, amounting to \$124.30, is almost two months past due. We are sure that you want to get it cleaned up, so that our answer to an inquiry would be: "Satisfactory."

May we have your check—today?

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

Bills have a habit of sort of sneaking up on a person. If you let one become past due, it won't be long until there are several of them, and then they are increasingly difficult to settle.

Your credit is a wonderful asset—well worth protecting. When a bill goes sixty days beyond the due date, we are expected to report it to the local credit bureau—and we don't want to have to do this in your case.

Won't you get in touch with us at once about this account and tell us frankly when you can make payment? Or better still, get it off your mind right now by sending your remittance of \$39.27.

You'll feel better—and so will we.

Cordially yours,<sup>2</sup>



Dear Mrs. Blank:

A good credit rating is like the "Sterling" mark on silver—it is the measuring line by which you are judged by other merchants.

Charge accounts today are based on standard monthly terms. Perhaps you are not aware that your account is past due, and that we are required under the rules of the Merchants' Credit Bureau to report all delinquent accounts. We feel certain that you would not intentionally permit your name to be included in this classification.

We value your patronage; we enjoy serving you. Won't you reciprocate this friendly feeling by sending us a remittance now? The amount is \$21.05.

Sincerely yours,<sup>3</sup>

<sup>1</sup> Reprinted from *Business Letters*, by Walter Kay Smart and Louis W. McKelvey (Harper & Brothers, 1933), through permission of the publishers and the authors.

<sup>2</sup> Presented by permission of Mr. M. L. Patton, Vice President, Cabin Creek Consolidated Sales Co., Cincinnati, Ohio.

<sup>3</sup> Presented by permission of Mr. F. J. Fitzpatrick, Manager of Credit Sales, Kresge Department Store, Newark, New Jersey.

## SUCCESSFUL COLLECTION LETTERS

Dear Mrs. Blank:

Have you thought what it means to you to have a good credit standing in the community?

Credit rating associations frequently refer to us relative to the promptness of our customers in meeting their obligations. In such cases, people who meet their payments promptly are given A-1 ratings, which means they can obtain credit in nearly all the stores of the city.

So you see that even aside from your natural desire to live up to your agreement, it is decidedly to your advantage to do so.

Although you have not responded to our several reminders about your January account of \$30.35, we are sure you fully intend to pay this bill eventually. Won't you preserve your good credit rating by mailing your check today?

Sincerely yours,<sup>1</sup>

No wonder these letters produced results! Each one is clear, courteous, and convincing; each presents a logical explanation of why and how immediate payment will benefit the debtor. It's only human to look out for one's own best interests—so in came the checks.

But the law of averages virtually assures a few "hold-outs" among any good-sized group of delinquents. There are always a few who are immune to persuasion and logical reasoning. Since they cannot be persuaded or convinced, they must be forced to pay their bills. But that word *forced* should not be misunderstood. This is not the time—as some collection correspondents seem to think—when one must "get nasty." There isn't such a time! The appeal to fear, although it marks the final stage of the collection series, offers no justification for a departure from the keynotes of courtesy and self-restraint. In fact, these qualities are no less vital to the success of this final

<sup>1</sup> Presented by permission of Mr. C. Jensen, Credit Manager, Crews-Beggs Dry Goods Company, Pueblo, Colorado.

## “CHECKS APPEAL”

appeal than to the effectiveness of any which has preceded it.

The appeal to fear often forms the basis of the last two letters in the collection series. The initial fear appeal mentions the unfortunate consequences of collection enforcement, perhaps even naming the method to be employed if such action proves necessary. The message points out that the inevitable results of this procedure are increased expense and inconvenience to the debtor, as well as the collapse of his credit standing. Ordinarily, however, this letter does not mention the specific date upon which you will begin definite action. Here are four effective appeals to fear that illustrate the type of letter just described:

Dear Mr. Blank:

Sometimes I look over the accounts that our Credit Manager is ready to send to an attorney.

Occasionally I find among them customers who have been friends of this house for many years. Others are new customers who may not be familiar with our long record of fairness and honesty.

Now legal action is troublesome and expensive, and in the end no one, except the lawyers, is ahead. I am sure you don't regard such action as necessary to bring a settlement of an honest account from you.

☞ I have borrowed your account for a few days and will hold it on my desk while I make this personal appeal to you. Since further delay will be sure to jeopardize your credit rating, won't you mail your check for \$64.55 now?

Sincerely yours,<sup>1</sup>



<sup>1</sup> Presented by permission of Mr. J. Nevin Carson, President, The Carson Crockery Company, Denver, Colorado. Reprinted, with variations, from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millions of the Executive Department.



## SUCCESSFUL COLLECTION LETTERS

Dear Mr. Blank:

You realize, of course, that your account has reached the stage where ordinarily it would seem there was nothing left for me to do except refer it to our attorney for action.

This would be a reflection on both of us, and would admit our inability to come to a friendly understanding. Let's not handicap ourselves further. Haven't we both enough to contend with these days without the expense of going to court?

Please speak out—straight from the shoulder—so I'll know where we stand with each other. I'll sit tight until I hear from you with a check for \$92, a letter of explanation, or both. But please do it today, while I still have the matter under my control.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

We have written to you repeatedly about our invoice of July 3, which is long past due on a thirty-day basis. But we have received no response to our frequent letters.

Our accounts are insured by the American Credit Indemnity Company of New York, and unless we receive payment within a certain length of time after an account becomes due, we must turn it over to them for legal action under conditions stipulated in the policy.

It is certainly not our desire to have to turn this account over to them, and we know you would not wish collection made in this manner. Not only would such action result in additional expense to you, but it would seriously impair your credit reputation.

Won't you mail your check for \$178.25 today, so we may inform the American Credit Indemnity Company that this invoice has been paid. Such a report will clear your credit standing—an asset you cannot afford to sacrifice.

Sincerely yours,<sup>2</sup>



<sup>1</sup> Presented by permission of Mr. G. L. Borst, Credit Manager, Alexander Film Company, Colorado Springs, Colorado.

<sup>2</sup> Presented by permission of Mr. Sam Cooper, Credit Manager, The HumKo Company, Memphis, Tennessee. Reprinted, with variations, from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millions of the Executive Department.

## **“CHECKS APPEAL”**

**Dear Mrs. Blank:**

This is the seventh letter we have written to you about the status of your account. Isn't that fact alone conclusive proof of our desire to treat you fairly?

Since we try to show our customers every consideration, we have waited almost four months for the payment of your account, which amounts to \$31.15. We have repeatedly offered you our full co-operation, and we renew that offer now. We sincerely hope you will accept it, and help us to avoid a step which will otherwise be our only possible course of action.

Legal action is just as distasteful to us as to anyone else. It means inconvenience, red tape, and embarrassment to all concerned. And inevitably, it results in added expense to the customer who makes it necessary.

Certainly these prospects are no more attractive to you than they are to us. So won't you help us to avoid them by attending to your account at once?

If you will call at the Credit Department any day this week, you will find us ready to co-operate wholeheartedly in working out a solution to this problem. Your visit will be an important step toward the preservation of your credit standing.

Sincerely yours,

Although the tone of these letters is unmistakably urgent, still the way is left open for one more appeal. No specific time limit is set for payment of the account, and the omission of this detail provides a logical justification for a second and even stronger use of the fear incentive.

The follow-up appeal to fear is definitely the final unit of the collection series. This last letter points out that further delay on the debtor's part will leave you no alternative but to enforce collection. It sets a specific date as the deadline for payment of the account, immediately after which action will be taken if the bill remains unpaid. In most cases this final effort to induce a voluntary settlement reminds the debtor once more that the consequences of nonpayment will prove much more expensive

## SUCCESSFUL COLLECTION LETTERS

than the cost of meeting his obligation now. The tone of the letter should be that of absolute finality, leaving no doubt in the debtor's mind that collection will be enforced without further notice unless he takes immediate action. Even now, however, there is no excuse for anything less than complete courtesy. Here are four good examples of the appeal to fear as presented in the "last chance" letter:

Dear Mr. Blank:

Your account has just been referred to me, marked for "final action."

Because it is the policy of this store that every contact with our customers shall be one of courteous interest in their behalf, I am writing you this letter as a last appeal that you mail us your check for \$37.75 or call personally to see us. I have withheld any action on your account and feel sure we can work out some mutually satisfactory arrangement for settlement.

I shall hold your account on my desk until May 15 with the hope that you will attend to it at once. Unless I hear from you by that date, I shall have no alternative but to turn the account over to an attorney for collection. I sincerely hope you will not force me to take a step that would have such a serious effect upon your credit reputation.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

It is a matter of genuine regret that our numerous letters to you, written in a spirit of friendship and goodwill, have brought neither your remittance nor any explanation concerning your account, now almost four months past due.

Consequently, although with great reluctance, we must tell you that unless your check for \$147.50 reaches us by March 20, we shall be obliged to refer the account to a collection agency for action.

<sup>1</sup> Reprinted, with variations, from "Better Credit Letters," by F. J. Fitzpatrick, *Credit Management Year Book* (Vol. III, 1936), by permission of the publishers (National Retail Dry Goods Association) and the author.

## "CHECKS APPEAL"

Everyone in our organization values your friendship and hopes that you will not force us to take this final step. As your own experience with us proves, we never decide upon this course until it becomes absolutely necessary; and then, in all fairness to the customer, we always inform him in advance of our intention.

We still believe that you appreciate our endeavors in your behalf and that you will take this final opportunity to preserve your sound credit rating.

Sincerely yours,<sup>1</sup>



Dear Mr. Blank:

It seldom becomes necessary for us to turn an account over to our attorney for collection. And on those few occasions when circumstances leave us no other alternative, we consider it only fair to tell the customer exactly what we intend to do.

Certainly you must realize, Mr. Blank, that we have made every effort to be fair and patient in requesting that you settle your January account of \$43.39, now more than four months overdue. We have written to you seven times, asking that you let us know how we could co-operate with you in getting this indebtedness straightened out.

Your continued silence leaves us no other alternative than to refer your account to our attorney for collection—a step that we sincerely regret. So won't you respond to this final appeal for your co-operation, and thereby avoid a procedure that can only mean embarrassment, inconvenience, and additional expense to you.

Unless we hear from you by September 15, we shall be compelled to transfer your account to the office of our attorney. Please use the inclosed reply envelope to let us hear from you before that date.

Sincerely yours,



<sup>1</sup> Presented by permission of Mr. Everett N. Hall, Credit Manager, General Lamps Corporation, Muncie, Indiana. Reprinted, with variations, from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millions of the Executive Department.

## SUCCESSFUL COLLECTION LETTERS

Gentlemen:

Because we want to be entirely fair with you, we have just reviewed carefully the complete file in connection with your unpaid account of \$88.68. Frankly, we can see no reason why steps should not be taken to secure payment of this account. But before we change our collection procedure, let's go over the situation together.

After your account matured we not only sent you a statement, but we wrote you many times without receiving either a payment or an explanation. Please try to look at our side of this situation as well as yours. Our letters have brought no response, we have no collector to call on you, and our only other alternative is to employ an outside collection agency or attorney.

Knowing how seriously a merchant's standing in his community may be affected when an account is reported in the hands of an attorney, we always endeavor—in the few cases of this kind that come up—to protect a customer by first notifying him fully of our intentions.

We still value your goodwill and regret that we must write you in this manner, but we feel that we should tell you frankly that the account is to be placed for collection through our attorney if it is not paid by October 20.

Your check for \$88.68, mailed today, will make such action unnecessary, and will therefore protect your credit reputation. In justice to your good past record and in the interests of your credit future, won't you mail that check today?

Sincerely yours,<sup>1</sup>

Certainly these letters leave no doubt in the debtor's mind that the collection series has reached its end and that he will benefit by the immediate payment of his account. Yet these messages carry no trace of bitterness or exasperation. Although the tone is urgent and final, it is still courteous and even-tempered. If the debtor pays his account even at this point, thus averting the unpleasant-

<sup>1</sup> Reprinted, with variations, from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millions of the Executive Department.

## “CHECKS APPEAL”

ness of collection enforcement, it is often possible for you to retain his goodwill and his patronage. The circumstances may be such as to justify your risk in renewing his account. And, if they are not, it is quite probable that other concerns with which he trades will soon share your experience and withdraw his credit. Then, when he is on a strict cash basis everywhere, someone will still get his business, and it might as well be you.

So much for the five basic appeals with which the collection writer is equipped for his task. Although each of the specimen letters presented in this chapter has shown a single dominant appeal at work, it is perfectly possible—and sometimes very effective—to include more than one basic appeal in the same letter. Often the co-operation and fair-play appeals may be combined very successfully. On other occasions, an appeal to pride dovetails convincingly with the fair-play motive, or a pride appeal becomes a challenge to the customer's self-interest, or the keynote of self-interest combines naturally with the fear appeal. Whenever a combination of motivating forces presents a more convincing case than any single appeal, by all means use it. The sole yardstick of success in collection work is *results*. Does your collection system get the money? Do you have friends instead of enemies when the follow-up series has completed its work? If you can say “yes” to both questions, your letters are making the most of the appeals that generate persuasion and pulling power.

It may seem like the “long way around” to mail an entire series of courteous, tactful letters to customers who agreed to pay their accounts on the due date. But the extra effort and expense of “patient persistence” pays big dividends in the long run by holding the busi-

## SUCCESSFUL COLLECTION LETTERS

ness of many "good risk" customers who are habitually slow in paying their bills. Such a policy also retains the patronage of numerous others who strike financial "snags" once in a while and require occasional time extensions in meeting their obligations. In this era of razor-edge competition, no business house can afford to throw away such accounts. So long as they prove profitable in the long run, they are worth the investment in time and money required to keep them active. And remember, too, that each one represents a satisfied customer who would otherwise be a disgruntled ex-customer.

## VI

### *Seven Sins of Collection Writing*

THERE are, unfortunately, many “bunkers” and “sand traps” lining the “fairway” of the collection writer’s course—many pitfalls which can mar the effectiveness of his correspondence. And every day the mails carry collection letters that illustrate a wide variety of psychological and mechanical weaknesses.

The analysis of more than one thousand specimens that preceded the writing of this little book showed that few collection letters, indeed, are entirely free of these weak spots. In fact, it was the constant recurrence of seven very common errors that led to the inclusion of this chapter. But its title should not be interpreted as a guarantee that the observance of any seven precautions is a sure formula for effective collection letters. Would that the problem were so simple!

It is true, however, that the collection “snags” discussed and illustrated in the following paragraphs are responsible for a large majority of the totally ineffectual collection efforts made each business day. Because these seven faults account for more than two-thirds of the weak spots in the general run of collection correspondence, a brief identification and analysis of each one is very much



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in order. Here are the "seven sins" committed most frequently by collection writers:

### I. THE CURT TONE

The curt tone so common in collection letters is very often unintentional. Yet the delinquent customer, whose guilty conscience makes him more sensitive and sharpens his detection of harsh words, interprets any evidence of abruptness as a deliberate rebuke.

It's easy to assemble abundant evidence that many collection writers neglect to analyze the tone of their letters before pouring them into the mails. They sacrifice tact to the interests of haste. At least I hope that's the explanation, for it would be even more uncomplimentary to conclude that men and women who make collections their business could not detect the curt, abrupt tone of sentences like these:

Send us your check without further delay.



These are our terms to all credit customers and we expect each one to comply with them.



Although we have given you two months in which to inform us why you have not or cannot pay your account, you have not seen fit to do so.



Come in, write, or telephone us immediately about this matter.



We shall expect payment in full at once.



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If you are unable to reduce your indebtedness at this time, the least you can do is to come in for a frank discussion of the situation.



You have neither paid nor replied to any of our letters, informing us as to the reason you have not paid, nor as to when we may expect payment—a courtesy to which we are entitled.



Why don't you pay your account, now three months past due?



If there is any good reason why this account should not be paid, tell us what it is.



Apparently the loss of your good credit reputation in this community is of no concern to you.



Send your check at once and keep your account out of the "slow" classification.



Pay, call us up, or come in—we must come to an understanding about this matter.



How do you think we would meet our own obligations if all our customers took three months to pay us?

These excerpts from letters in my collection file are but a small fraction of the curt, tactless sentences that could be cited, but they present a typical sample. What do you suppose their composers were thinking about when they dictated those sentences? It's hard to believe that all the guilty persons were worrying about a sick relative or a mortgage on the family home. Yet it's

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equally difficult to believe that any group of collection correspondents could know so little about human nature and simple collection psychology.

Nobody but an acrobat likes to be jumped on, literally or figuratively. A curt, abrupt tone carries with it a note of censure that arouses instant resentment, and resentment has never yet accelerated the payment of a past-due account, except when the immediate stimulus was the termination of business dealings.

A discourteous command is a poor substitute for a courteous request, a curt pronouncement is an inferior substitute for a tactful explanation, and a blunt question is a faulty substitute for a diplomatic one. A good collection letter is courteous and tactful for the same reason that a good chair is upholstered. The object of both is to prevent unnecessary bruises.

### 2. THE OBVIOUS FORM LETTER

Everybody likes to receive personal attention. It's just human nature. This universal rule applies, perhaps paradoxically, even to collection letters. An evidence of individual attention in any kind of letter flatters the recipient by seeming to confirm his belief in his own importance.

But there is another reason—and a more important one—for the value of personal attention in collection letters. Just as long as correspondence pertaining to an unpaid account shows that it is merely part of a mass mailing—nothing more than a routine follow-up procedure—the recipient is much less inclined to give it his careful attention. If the situation were really serious, he reasons, someone would write him a personal letter. And there the matter often rests until someone does.

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The adverse psychological effect of an obvious form letter is vividly summed up by D. Stuart Webb in an article on collection letters:<sup>1</sup>

My premise is that no collection letter can function at maximum efficiency if it bears the unmistakable earmarks of mass production. Processed letters, obviously "filled in" as to date, name, address, and amount, may carry a sound message as far as the wording is concerned, but they are psychologically wrong.

Picture Mrs. Jones receiving your letter in the morning mail. She is busy getting the house straightened up and may go to the movies in the afternoon. Your letter comes along with one from Aunt Cary and a weekly magazine. What is going to be her reaction when your letter is opened? If she doesn't send you a check in reply to your careless form letter, it is because you have sent her *two* messages instead of one. One of these messages may say:

Dear Mrs. Jones:

Your account is overdue and we would very much appreciate your check, etc.

but there is another and more obvious message that she gets as soon as she opens the envelope, which says:

Dear Mrs. Jones:

This is a reminder of your account, but you needn't pay too much attention to it. You are only one of thousands who haven't paid their bills. The firm I work for has so many other unpaid accounts it has to send out circular letters.

So, take your time, old girl, take your time!

It would be impossible, of course, to make every collection letter a personal one. And even if it were possible, such a process would not always justify its high cost. Especially in the early stages, when the follow-up units are mere reminders, forms can be made equally effective

<sup>1</sup> Reprinted from "What's Wrong with Our Collection Letters?" by D. Stuart Webb, *The Credit World*, April, 1940, by permission of the publishers (National Retail Credit Association) and the author.

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if they are handled properly. But seldom is this the case. Few and far between are form collection letters that do not shout this fact so loudly that even a wooden Indian could hear it.

Before making such a sweeping condemnation of modern collection efficiency, I examined 200 form specimens, representing the same number of firms, which had been selected at random from an alphabetical file of collection reminders. Only six did not reveal their multiple origin. The other 194 advertised—in a variety of ways—their completely routine, impersonal nature. Several bore an inside address and salutation so carelessly filled in that the left-hand margin of these units was not consistent with that of the letter body. Others actually presented these introductory details in type that differed, in both size and style, from that of the form paragraphs that followed. Many others revealed their mass origin through a date line, inside address, and salutation in type either lighter or darker than that of the letter body. A few carried no inside address whatever and began with a noncommittal, impersonal salutation, such as *Dear Friend*, *Dear Customer*, or *Gentlemen*.<sup>1</sup> Several gave away their form character by the careless insertion of details within the letter proper, such as the fill-ins of dates and amounts.

Such slovenly inefficiency has three *C's* all its own—carelessness, clumsiness, and costliness. A combination of reasonable care and skill makes it a simple matter to match the date line, inside address, salutation, and other inserted items so perfectly with the processed letter body

<sup>1</sup> In a few instances, such as the collection reminders used by periodicals, the omission of the inside address and use of a blanket salutation is justified by the high ratio of collection costs to the amounts involved. See footnote, p. 14.

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that the letter appears to be individually typewritten. Such a specimen carries the immeasurably stronger appeal gained through an apparent evidence of personal attention. The difference in effect is great; the difference in production effort is just a few extra seconds on the part of an efficient typist. Big dividends on a small initial investment, don't you think?

### 3. "MOTH-EATEN" EXPRESSIONS

It would be too much to hope, of course, that collection letters were free of the "rubber-stamp" jargon which still encumbers commercial correspondence in general. Unfortunately, these business-letter termites feast just as greedily on collection letters as on other kinds. And nowhere is their damage more devastating. These hackneyed, thought-deadening parasites sap any letter of its vitality, thus robbing it of attention value and destroying any semblance of personality. One can hardly blame even a seriously delinquent customer for refusing to push his way through the verbal debris of "moth-eaten" expressions. Nobody will take the time to translate a string of ancient phrases into twentieth-century English.

Yet few are the collection writers who do not inject into their correspondence some of the souvenirs of the "Gay Nineties." But why? Few delinquent customers collect antiques. And who but a connoisseur of relics would be interested in letters like these?

Dear Sir:

Attached hereto is statement of your valued account as of May 30.

Kindly advise us by return mail, stating whether same is correct, and, if so, please favor us with your remittance. Thanking you in anticipation, we remain,

Yours very truly,



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Dear Sir:

Since we have not been favored with an answer to our communications of recent date, we wish to advise you that we shall deem it necessary to hand your account to our collection attorney unless you favor us with a check to cover by return mail. Hoping that your check in the amount of \$39.70 will reach us before we are compelled to take unpleasant steps, we are

Very truly yours,



Dear Mrs. Blank:

According to our ledger your valued account with us, in the amount of \$27.60, is now considerably past due. If our records are in error, please advise us accordingly; otherwise, kindly favor us with your check for the above amount by return mail.

Please be assured that your valued patronage is duly appreciated and that every effort will be made to merit continuance of same.

Yours very truly,



Dear Mr. Blank:

The writer regrets the necessity of calling your kind attention to the fact that your April account, in the amount of \$31.15, now two months in arrears, is still on our books.

Please permit me the liberty of pointing out that such a situation, even when due to the fact that previous statements have been overlooked or misplaced, injures one's credit reputation in due course.

Hoping to receive your remittance in the very near future, for which please accept my thanks in advance, I am

Yours very truly,

Could anything be more dull and tiresome than letters such as these? Naturally, they leave the debtor "cold," for he needs a stimulus, not an anesthetic. Is it any wonder that such inane jargon is ignored? In fact, doesn't

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the "rubber-stamp" addict deserve to be ignored? Whatever the answer, that will always be his fate.

Of the many correspondence bromides, there are a certain group that seem to specialize in imparting the creaking, rheumatic tone to collection letters. Here are some of the worst offenders:

according to our records	favor us with your reply
advise us accordingly	favor with an answer
anticipating the favor of a reply	for your information
as stated above	has come to hand
at a loss to understand	has not come to hand
at an early date	have before us
at the earliest possible moment	have not been favored
at the present writing	hoping for an immediate answer
at this writing	hoping to be favored
at your earliest convenience	hoping to hear from you at once
avail yourself of	hoping to receive your prompt
awaiting your reply	remittance
balance (meaning <i>remainder</i> )	if our records are correct
beg to advise	if our records are in error
beg to inform	in accordance with our terms
beg to remain	in regard to
beg to request	in the amount of
by return mail	in the near future
check to cover	in this amount
communication (meaning <i>letter</i> )	kindly advise
compliance with our terms	kindly favor us
courtesy of a reply	kindly return same with check
deem it necessary	may we request
drop us a line	of recent date
due to the fact that	of the above date
duly appreciated	our records show
esteemed patronage	owing from you
favor (meaning <i>letter</i> )	owing to us
favor of an answer	past favors
favor us with an answer	permit us to call your kind atten-
favor us with check	tion



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permit us to state	trusting to hear from you soon
please accept our thanks in advance	unpleasant steps
please be assured	up to this writing
please forward check	we remain (followed by complimentary close)
please let us hear from you	wish to advise
please note	wish to call your kind attention
regret to state	wish to inform
resort to other methods	wish to remind you
same (as a pronoun)	would advise
severe measures	would inform
take the liberty	your continued patronage
thanking you in advance	your kind attention
the above amount	your kind permission
this is to advise you	your valued account
trusting to have your remittance soon	your valued patronage

And now, in order to illustrate the empty monotony of such parrot-talk, I've concocted a collection letter that includes some forty of these "moth-eaten" expressions. Just to be sure of doing justice to their anesthetic potentialities, I've set the lullaby to rhyme:

Please permit us to call your kind attention  
To your valued account which we must mention.  
Your esteemed order has just come to hand  
In connection with which we cannot understand  
Why our records now show a balance past due  
Of three hundred dollars still owing from you.  
If we may have your kind permission,  
Would suggest your account is in poor condition.  
We beg to advise you so please may we state  
That our communications of recent date,  
Though aimed to preserve our friendly relation,  
Have brought neither payment nor explanation.  
The favor of an answer to previous letters  
Would have been forthcoming from most of our debtors;

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So again we request and wish to remind you  
That your September invoice is long past due.  
The charge in our ledger under your valued name  
Shows three months' delay in payment of same.  
Please note you've not paid in accordance with terms;  
Yet we, too, owe bills to a good many firms.  
If you can't hand us payment in full at this time,  
Would advise in near future you drop us a line.  
What can we say if inquiry is made,  
Asking how promptly your bills have been paid?  
Your September invoice is still on our books;  
We beg to point out how badly this looks.  
We earnestly urge you to pay your account.  
Won't you please forward check made in this amount?  
We take pleasure in thanking you now in advance,  
For we know you'll avail yourself of this chance.  
Lacking the courtesy of a reply,  
We must use other methods by-and-by.  
So just mail check to cover by return mail  
That our friendly relations may still prevail.  
The day it arrives, we hasten to mention,  
Your order will have our most prompt attention.  
Trusting you know what speed this assures,  
We beg to remain, Very truly yours.

### 4. THE EXASPERATED TONE

As the follow-up series progresses from the "reminder" stage to the "discussion" type of letter, many collection correspondents yield to the natural human tendency to show their annoyance with anyone so careless or indifferent as to ignore repeated requests for payment. Often they assume a self-righteous, indignant tone reminiscent of a mother taking to task her small son for the willful neglect of some unpleasant duty. Here are a few typical examples:

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During the past three months we have written to you four times about your unpaid balance of \$23.45. We have been both courteous and lenient, and we believed that our patience would be rewarded by your co-operation. But apparently you intend to let us continue writing you letters just as long as our patience holds out. We can only conclude that you have no desire to reciprocate our fair treatment.



Throughout our business relations with you, we have given you the best of service, courtesy, and consideration, and have even co-operated through the extension of our best credit terms. In return for these favors we expected co-operation from you. But have we received it? To date we have reminded you five times of your unpaid account, amounting to \$19.75, without receiving even the courtesy of an answer.



In order to help you get our point of view, we want to ask you one simple question: Have you ever heard of the Golden Rule? This is the rule of human conduct that operates on the principle of fair play. Certainly we have played more than fair in our treatment of your past-due account. Can you say as much?



Really, this is our fifth letter, and we have received no reply to the other four, nor a check—nor anything else. Please don't make us lose patience with you! It certainly appears that you do not consider our appeals for payment as important as we have a right to expect you to.



Certainly there cannot be any good reason why you haven't at least answered our friendly letters. If you continue to disregard our letters and efforts to help you, your bill will pass out of our hands immediately, and we shall have no further control over the manner in which it is collected. If this happens, it will not be because we did not make every effort to co-operate with you.



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It shakes one's faith in human nature to extend to a customer the maximum in considerate treatment and friendly service, and then to find that the relationship is strictly a one-way affair. But what else can we believe in the case of your long past-due account with us? You cannot deny that we have been most courteous and considerate in our requests for payment, and that you have completely ignored our letters.



We have always heard that the spirit of fair play is contagious—that the man to whom it is accorded will respond, nine times out of ten, in the same co-operative spirit. Are you that tenth man—the exception to the rule? We have done our best to play absolutely fair with you in all our dealings—even in asking you to pay your \$76.30 account, now three months past due. But what kind of response have we received?

How would you like to receive one of these self-righteous preachments? Well, neither does anyone else. Perhaps an indignant lecture will induce a small boy to mow the lawn every two weeks or wash his hands before meals, but it won't persuade mature men and women to pay their bills. Such an approach merely strengthens their "payment resistance" by adding resentment to the other causes of procrastination. After all, we must remember that a good collection letter is a sales letter as well. It must "sell" the debtor on the idea of paying his bill. And how much constructive selling can you find in the seven examples just cited? The collection writers who dictated those paragraphs had forgotten that persuasion, not preaching, is the key to pulling power in collection letters.

### 5. "BARBED-WIRE" EXPRESSIONS

The instant a delinquent customer sees your letter-head, he has a pretty definite idea what your letter will be about. His mental reaction is sharply negative; his

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attitude becomes defensive. He knows that you are in the right—that he has broken a verbal contract—and he wonders just how far your letter will go in the direction of a reprimand.

Under these circumstances the favorable effect of a courteous, friendly letter is easy to understand. Yet many collection correspondents provoke an antagonistic response by implanting in their letters—often unwittingly—a few verbal thorns that sting a sensitive customer and leave him bristling with irritation. Here are a few examples of “red-flag” expressions found in a run-of-the-mill handful of collection letters:

You are making a *serious mistake* by *refusing* to answer our inquiries about this matter.



You have *failed* to show *any desire whatever* to co-operate.



We can only conclude from your *stubborn silence* that your *neglect* of this account must be *deliberate*.



It appears that we must employ *unpleasant* methods to *force* you to pay this bill.



Can you deny that your *continued neglect* of this just debt is both *selfish* and *unfair*?



Your *failure* to answer any of our letters indicates that you are *completely indifferent* as to your credit standing in the community.



Your *continued refusal* to co-operate will lead us to take *drastic measures* in *compelling* you to pay an honest debt.



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Your *complete neglect* of your credit responsibility has convinced us of your *unwillingness* to co-operate.



Your *failure* to pay this account, or *at least* to make some arrangement for its settlement, *reflects* upon your integrity.



Judging from your *indifferent attitude* in *ignoring* our letters, you must *lack* a normal sense of obligation.



We cannot tell whether your *failure* to heed our urgent letters means that you are *willfully neglecting* our bill or that you are merely *irresponsible*.

The barbs in these sentences are sharp enough to sting through even the protective "collection callous" of the habitual slow-pay customer. Such derogatory statements are completely irreconcilable with one's pride and self-respect—qualities that even the frequent delinquent suddenly develops to a degree totally unmerited by his past performances.

The universal rule of human nature involved here is simple, even self-evident: Nobody likes to be insulted, however true the offending statement may be. In fact, the tighter the shoe fits, the more uncomfortable it becomes. No normal human being likes to be told that he has *failed*, that his *continued neglect* must be *deliberate*, despite the fact that it is both *selfish* and *unfair*, and that his *stubborn silence* and *indifferent attitude* show his *unwillingness* to co-operate.

Now wouldn't anyone but Charlie McCarthy resent such "red-flag" words? Of course! The writer who uses them is not only discourteous—he's downright stupid.

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Such expressions merely create unnecessary irritation and antagonism which consume the reader's energy—energy that should be directed toward the mailing of a check. That's not very smart collection psychology, is it?

Lashing a debtor with a sharp tongue only strengthens his resistance by seeming to lend it some semblance of moral justification. Why generate active opposition to work as the ally of apathy or neglect? "Barbed-wire" expressions only add new obstacles to those that already exist. The person who lets them creep into his collection letters is deficient either in self-control or in the power of discernment.

The typewriter and the dictating machine may someday become obsolete as tools of efficient collection writing, but the velvet glove never will. As long as the collector must cope with the group of instinctive reactions that we call human nature, he'll find it the one article of wearing apparel most necessary to his success.

### 6. THE INJURED TONE

Even when resorted to by a small child, pouting is poor psychology, since it merely strengthens parental resolution. When employed by a mature person, this juvenile device makes him look undignified and even ridiculous, especially when it is attempted in behalf of an impersonal business organization. Imagine, if you can, the heartbreaking cruelty of John Doe, who hurts the sensitive feelings of The Blank & Blank Company, Inc., by neglecting his past-due account of \$7.30. Yet this absurd effort to arouse the debtor's sympathy and stir his soul with repentance is often attempted by collection writers. Here are a few heart-rending examples:

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We have been very much surprised and just a little hurt because you have not even replied to our numerous requests for the payment of your past-due account.



It's not so much the \$19.25 that distresses us, we confess, as the realization that you apparently do not reciprocate the spirit of friendship which we feel toward you.



In your own business, Mr. Blank, haven't you had the experience of trying your best to co-operate with a customer who didn't respond to your efforts in his behalf? If you have, then you know how we feel right now. We have done our very best to come half way, but you have not replied to any of our letters. At first we were surprised; now we are deeply disappointed. We have tried hard to deserve more considerate treatment than we have received.



For just a moment let's review the three years of our business relations. Didn't we gladly extend to you our most liberal terms? Haven't we served you faithfully and dependably? Haven't we done everything humanly possible to make our service helpfully co-operative at all times? Haven't we even been most courteous and considerate in writing to you about your indebtedness to us?

Can you wonder, then, that we are keenly disappointed and hurt by your continued silence?



If an old friend should pass you on the street without speaking, you'd wonder why, wouldn't you? You would be both surprised and upset; and you would immediately try to figure out what you had done to deserve such treatment from one whose friendship you valued.

Well, that's just the situation we are in. We have tried our best to be fair, patient, and friendly regarding your February invoice, about which we have written you several times, but you have not even acknowledged our letters. We are naturally at a loss to discover why we are being slighted by an old friend. Maybe we deserve it, but won't you tell us why?



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Touching, don't you think? Why don't all collection writers realize that the weak-kneed sympathy appeal of the injured tone is really worse than no appeal at all? Nothing is more ludicrous than a full-grown man pouting like a three-year-old.

### 7. EXCESSIVE FAT

In any kind of business letter unnecessary length is a severe handicap. Excess words in a letter are like extra pounds on a sprinter—both retard the normal rate of speed. The longer a business letter, of course, the greater the effort required of the reader to digest it. Realization of this fact often leads a person to cast a long letter aside after a casual glance at its content, perhaps with the intention of giving it a careful reading at a more opportune time. But such a time never comes. So excessive length has cost the letter its audience with the recipient, whereas a shorter message would have been read on the spot.

All these comments apply with special significance to collection letters. Although it is easy enough to be pleasant and courteous in reminding a customer of his past-due account, it is difficult indeed to make such a message actually interesting to him, to say nothing of engrossing. He'll stay with you for a moment or two unless you "drug" him with hackneyed phrases, but a long-winded collection letter will outlast either his endurance or his patience, if not both. So here is the only reliable slide rule for determining the length of your letter: Say what you have to say in as few words as the effective presentation of your message will permit. Rather an elastic formula, perhaps, but Lincoln applied the same principle when asked how long a man's legs ought to be. "Just long

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enough to reach the ground," was his thoughtful reply, and so far nobody has contributed a more practical answer.

Thousands of flabby collection letters that vex their recipients each business day owe their verbal corpulence to a writer who has made five words do the work of one. And no one, of course, is quite so adept at this kind of direct-by-mail filibustering as the "rubber-stamp" addict. A close second, however, is the writer who believes in leading his reader gradually and painlessly into the subject. Most of his excess verbiage can be found in the lead-off paragraph, in which he flounders aimlessly about in an effort to set the stage for his message. Here is a typical example:

Every now and then, in the conduct of our business affairs, it becomes necessary to dwell upon the subject of accounts which have inadvertently escaped the attention of our good customers. Whenever this becomes necessary, I attend to it secure in the knowledge that my friendly spirit will be reciprocated in full measure by those to whom my letters are directed.

Since your April account of \$37.85 is now considerably past due, I am sure you will co-operate with us by giving it prompt attention. . . .

The second paragraph of that letter should have been its beginning. Such pointless preliminaries merely irritate the reader by wasting his time and produce a negative reaction to the entire letter. Warming-up exercises are not a part of good collection-letter technique. The process of asking for money that is more than due you does not require a sixty-word build-up.

Another word waster of the first magnitude is the writer who indulges in strained analogies in an effort to make his letters different. Now far be it from me to con-

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demn all analogies categorically, for a good one, used under the proper circumstances, can be very effective. But unlike rubber bands, analogies won't stretch, and one that doesn't fit is the very essence of pointless futility. Take these three letters, for example:

Dear Mr. Blank:

All over the country college football teams are preparing for the "big" games that lie ahead—practicing to develop the team play and co-ordination that produce touchdowns.

We, too, are looking ahead to the "big" game on our schedule, which comes during the holiday season, along with all the "bowl" games. That important date on our calendar is marked "Inventory Time," and our opponent will be Old Man Procrastination. He's the equal of a whole team of All-Americans when it comes to throwing us for losses as we drive toward our goal.

So won't you hop into our "cheering section" by paying your small account of \$67.50, now considerably past due? Your check for that amount will be good for a "first down" sure—and it will help us a lot in pushing our way across our collection goal.

Yours very truly,



Dear Mr. Blank:

Do you remember that old story about the wager between the sun and the wind? Each thought it could get quicker results than the other in compelling a man to take off his overcoat. The wind tried first, while the sun held the stop watch. Vainly the wind blasted away in a futile attempt to blow the coat from his shoulders. But with each furious blast the man pulled his overcoat more tightly around him. Finally the wind gave it up as a hopeless task and told the sun to try its luck. So the sun "turned on the heat." Soon the man threw back his coat collar. Then, as the sun's rays grew hotter, he unfastened the buttons. And finally, as the heat became unbearable, off came his overcoat and his suit coat, too.

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Well, we've always believed there was a moral in this old story. We thought you would respond to a warm, friendly spirit far better than to high-pressure methods. We've written you several friendly letters reminding you of your January account, amounting to \$31.45. But I guess the sun has failed this time. And now it's only fair to give the wind a chance. Unless you attend to your past-due account immediately, you will force us to resort to other methods.

So why not prove the truth of this old story about the sun and the wind? Your check for \$31.45, mailed to us now in the inclosed envelope, will be all the proof we need.

Very truly yours,



Dear Mr. Blank:

It is said that Guy de Maupassant revised many of his best stories more than twenty times before he brought them to the peak of their literary power. He worked with meticulous care and infinite patience. No amount of work was too great, no task of revision too laborious—and in the end, his patience was well rewarded. Today he is regarded as one of the great literary masters of all time.

We, too, are trying to be patient, as our numerous collection reminders to you should prove. This makes the fifth time we have revised the first letter we sent you. But judging from the results, we have not been as successful as Maupassant in improving our power of expression. Also unlike Maupassant, our patience won't hold out while we make the last fifteen revisions. Neither will our exchequer, for that matter. So won't you relieve us of revamping our original collection reminder any further?

Our aim is not literary perfection—we'll leave that to Maupassant and others of similar talents. We'll be content with your check for \$34.80 in payment of your January account.

Yours very truly,

Pretty farfetched, aren't they? If their victims had the patience to "sit through," past-due accounts were doubtless forgotten in their amazement at such hopeless analogies.

## SUCCESSFUL COLLECTION LETTERS

The field of business correspondence holds few opportunities for those who place no value on words, and certainly the collection department is no place for the person with a flair for the irrelevant. If further proof is necessary, here's a complete case history that should settle the issue.<sup>1</sup> A young collection correspondent for a wholesale house wrote the following letter to a regular customer:

Dear Sir:

I was interested to note in yesterday's paper the successful ending of the big drive in behalf of Blank College. This is truly a remarkable achievement and one which will mean much to the youth of our land.

Knowing that a son of yours entered Blank last fall, I had a special interest in this news item. I sincerely compliment you upon selecting for your boy a college which has such splendid prospects, and I am sure you will be repaid many times over for your far-seeing efforts in behalf of his future, which we can well say is already assured.

By the way, I notice there is a little bill of \$47.50 which is considerably past due. Doubtless it has been overlooked. May we have your check by return mail? Thanks.

Yours very truly,

Three days later this young man was summoned to the President's office. "Why did you write that letter?" asked the executive. "Well, Mr. Nixon," he explained, "I was trying to sneak up on him." The President had received this reply:

<sup>1</sup> The two letters that follow are reprinted from "Letters That Tell, Sell, and Collect," by Waldo J. Marra, *The Credit World*, September, 1939, by permission of the publishers (National Retail Credit Association) and the author.

## SEVEN SINS OF COLLECTION WRITING

Gentlemen:

I have your letter of the 11th, dictated by "A. Jones," whom I would not know from a bale of hay if I saw him. Just why he should concern himself with my personal affairs is a mystery to me. If he has any of his own, I would advise him to attend to them.

I am inclosing my check, which was made out and in the outgoing mail when his letter was received. I would have sent it before, but I had to go to this pin-headed college to get my fool son out of jail. I don't feel as certain as you do about his future, not by a long shot. The endowment he and that college both need is brains. In fact, I would not be surprised if that were your trouble.

Take a good look at the check, because it is the last one you will get from me until your interest in my personal affairs subsides.

Yours very truly,

So much for the "seven sins" that collection writers commit most frequently. These mistakes in strategy often mean the difference between letters that collect and letters that don't. Equally important, in many cases they account for the difference between holding goodwill and losing customers. How do your letters stand these seven tests? If they are guilty on any count, they are not doing their work with full efficiency. Before you mail that next stack of collection letters, examine them with a critical eye. Can they stand it?

## VII

### *Proof Is the Best Evidence*

#### FIFTY TESTED COLLECTION LETTERS

Now that we've considered the important *do's* and *don'ts* of collection writing, let's examine some tested letters that have put them into practice. Each of the fifty tested collectors presented in this chapter is accompanied by a thumbnail sketch describing the circumstances under which it was used.<sup>1</sup> In almost every case the summary indicates the percentage of accounts which the letter collected<sup>2</sup> and includes the comment of the user as well as a brief analysis of the qualities that made the letter "click."

The examples that follow represent many types of business concerns—large and small, wholesale and retail, some selling merchandise and others service. These

<sup>1</sup> Each letter is presented by permission of the firm identified in its letter-head.

<sup>2</sup> Even the most careful percentage computations of pulling power, of course, are susceptible to slight exaggeration, since these calculations are based on the assumption that all payments which follow a given mailing are directly attributable to it. In some instances, however, payment is brought about through the cumulative effect of several reminders and therefore should not be credited entirely to any one letter. And, in some few cases, quite possibly, payment would have been made at the same time regardless of the mailing of the collection letter that receives credit for inducing it.

## PROOF IS THE BEST EVIDENCE

letters also illustrate the entire span of "stages" in the collection follow-up system—ranging from the simple reminder to the urgent "final" letter.<sup>1</sup> And finally, they show a wide variety of approaches to the collection problem—some humorous, others serious; some long, others very short; some quite conservative, others highly unconventional.

But all of them have one very important element in common—*they got results!* Each one proved its pulling power by collecting a large percentage of delinquent accounts; and, equally important, each one did the job in a manner that helped to build, rather than jeopardize, the goodwill of those whose accounts were past due.

<sup>1</sup>The arrangement of the letter specimens, however, is alphabetical by firm names, without regard to the stage of the follow-up procedure which each example represents.





**FIFTY TESTED  
COLLECTION LETTERS**

I

THE BARNES-ROSS COMPANY

19-25 NORTH ALABAMA STREET  
INDIANAPOLIS, INDIANA

Dear Mr. Blank:

We know from experience that it is often embarrassing to ask one's clients for money. We also know from experience that it is often embarrassing to receive a request for money.

Moreover, we know from experience that there is always a tendency to postpone action on a request for money if it happens to be inconvenient for us to remit in full. We know from experience that the reasoning process runs something like this: "Gosh! I hate to send them a letter telling them I can't pay the entire account right now. Maybe if I wait until next week I'll get enough in to take care of it." And so it goes; next week other things come up and the situation is no better.

From the other side of the story we know from experience that even a small payment on an account is appreciated, and when repeated, will soon clear up even a sizable account.

The point is this: we want you to be perfectly frank with us. If it is inconvenient to pay your entire balance of \$83.50, just send us what you can. Don't feel hesitant about sending a partial payment, for we all go through those more or less trying periods when money is scarce. Frankly, money is scarce with us right now and partial payments from those who owe us will enable us to make partial payments to the people we owe. That will soon get the cycle started, and before we know it, we will all be squared up again.

Why not consult your bank balance right now and make out a check for all you can spare? Here's a business reply envelope already addressed.

Sincerely yours,

*W. R. McCullough*

Secretary

## LETTER I

### Tested Pulling Power: 42 %+

The perfectly frank, man-to-man tone of this letter adds much to its effectiveness. The writer shows that he understands the problems of his customers and that he realizes it's not always easy to meet one's obligations promptly.

This message was the first actual letter mailed to good customers who had allowed their accounts to fall into arrears. It was preceded by two statements and was mailed when accounts were approximately forty-five days past due. It brought payment in full from 42 % of the debtors who received it and induced part payments from 15 % more. In addition, the letter persuaded approximately 10 % of its recipients to make definite promises regarding payment.

"We received several comments on this letter," says Mr. W. R. McCullough, Secretary. "Here is one of them: 'You win. This is a good collection letter. I wish I had you in our office. Our accounts come in very slowly. Thanks for waiting.' Another comment was: 'Here's the best we can do this month. Your attitude of co-operation is appreciated.'"

"In our opinion," Mr. McCullough continues, "the success of this letter was due primarily to the fact that we proved to the debtor that we were familiar with every phase of his collection worries and explained very frankly that we were basing our remarks on our own experience."

E. H. BERNHARDT COMPANY

9 THIRD STREET  
WILLOUGHBY, OHIO

Dear Mr. Blank:

How do you do?  
Some pay when due.  
Some pay when overdue.  
Some never do.  
How do you do?

Balance \$14.35.

Cordially yours,

*G. M. Hall*

Office Manager

## LETTER 2

### Tested Pulling Power: 79 %

This unique reminder was the third unit of the collection series, having been preceded by two statements bearing penwritten notations. It was mailed to twenty-four customers whose accounts, aggregating \$1,035.29, were approximately sixty days past due. The letter brought payment in full of nineteen accounts, amounting to \$750.36.

Undoubtedly the touch of humor in this message enhanced its memory value and thus contributed to its pulling power. Brevity, according to the old aphorism, is the soul of wit. It is also an effective device in holding attention until a collection reminder has time to "register."

The results produced by this letter are summed up as follows by Miss Gertrude M. Hall, Office Manager: "It brought us a good income from old accounts; yet the humorous trend of the letter kept everyone good natured. Many who sent their checks complimented us on a method of collection that brought a smile instead of a frown."

### 3

## BROWN-ROBERTS HARDWARE & SUPPLY CO., LTD.

ALEXANDRIA, LOUISIANA

Dear Mr. Blank:

Our Credit Manager, Mr. Pitts, left Saturday for Richmond, Virginia, to attend the National Wholesale Credit Men's Convention, and he won't return until about the sixteenth.

I happen to be his stenographer, who has been typing his "love letters" to you for "lo, these many years," so I feel free to call on you to work with me on a little surprise I'm trying to spring on Mr. Pitts when he returns to his desk.

Without his knowing about it, and in his absence, I'm taking the liberty of writing all our customers who are a little behind with their payments and requesting that they send their checks before he gets back. Don't you think that will be a pleasant surprise for him? I do, and I know I can count on your co-operation, especially since our fiscal year ends on June 30, when our auditors will pay us their annual visit, by which time we hope to have collected every single past-due account on our books.

I'm not much at composing a letter, but I'm hoping you'll understand and will let me hear from you before next Tuesday.

Sincerely,

*Edith Bailey*

P.S. Isn't that just like a woman? I completely forgot to tell you that your "contribution" to this enterprise is \$23.25. Thanks again.

### LETTER 3

## Tested Pulling Power: 65%

This letter was sent to a group of small-town merchants, plumbers, and electricians. It was used early in the follow-up series, the only previous reminder being a past-due notation stamped on the face of a monthly statement. The letter was mailed about a week after this earlier reminder.

The friendly informality of this unique letter, with its strong appeal to the debtor's sense of sportsmanship, makes him want to co-operate. And the postscript is a deft application of collection psychology. It leaves the reader with a smile on his face and the amount of his indebtedness fresh in his mind.

Asked to comment on the effectiveness of this letter, which collected 65% of the accounts on which it was used, Mr. J. W. Pitts, Secretary and Credit Manager, explained its remarkable results as follows: "Probably the main attractive feature of the letter was the fact that it was different. The personal attitude, the unusual source of the request for co-operation, the natural desire to be a part of a surprise, and the casualness of the postscript seemed to appeal. Almost every check that came in had some sort of good-natured note attached. Several customers asked why we didn't let Miss Edith Bailey (who signed the letter) handle all our correspondence. Others wanted to meet and congratulate her personally on her initiative and originality."



## CAROLINA CO-OPERATOR

121 EAST DAVIE STREET  
RALEIGH, NORTH CAROLINA

May we ask a favor  
of you, Mr. Blank?

We find that you owe us \$25—but we are not excited about it. However, we would appreciate your telling us how soon you will be able to attend to it, because we must plan to meet our own obligations, and it would help us a great deal to know when we may expect a check from you. We would like for you to do one of two things:

- (1) If possible, we'd like to have your check for the full amount, or at least a part payment.
- (2) If you find this is not possible right now, won't you write to us, telling us just when you expect to be in a position to settle this account.

Surely, Mr. Blank, this is not asking too much ... and to make it even easier for you, we are inclosing a self-addressed envelope which needs no stamp.

This favor will take only a minute of your time, and it will help us very much. Thank you!

Cordially yours,

CAROLINA CO-OPERATOR

*Manly G. Mann, Jr.*

Credit Manager

#### LETTER 4

### Tested Pulling Power: 40 %

This courteous appeal for the debtor's co-operation was mailed to advertisers who were considerably behind in the payment of their advertising accounts—some of them as far behind as two years. Numerous reminders preceded this letter, which was the last one containing no suggestion of stronger collection methods. The response to this friendly appeal was the immediate payment of 40% of the accounts on which it was used.

"This letter produced by far the best returns of any we have ever used," says Mr. Roy H. Park, Editor. "Furthermore, it did not lose goodwill for us, as evidenced by the fact that several who received it not only paid up, but have been giving us additional business."

A pulling power of 40% is a tribute to the efficiency of a letter collecting any type of account, but the more so in the case of one collecting for advertising. "To most people," observes Mr. Park, "a bill for advertising is unlike a bill representing some tangible article. So, all too often, they pay their accounts on specific items like feed, coal, and heavy machinery, and let their advertising accounts ride."

## LEE CLAY PRODUCTS COMPANY, INC.

CLEARFIELD, KENTUCKY

Mr. John Blank, Manager  
The John Blank Company  
1234 Blank Avenue  
Blankville, U. S. A.

Dear John:

Have you ever stood in line in front of a ticket window, waiting your turn? Usually you wait patiently if you can see that you're moving steadily toward the front ... we have all had that experience. But suppose the line becomes broken ... you see late-comers push in ahead of you and get their tickets before you get yours. Naturally, you feel that you're not getting a fair break ... and you have a right to feel that way, haven't you?

That is the way we are beginning to feel, John, about the account which you have owed us since May 15. It's only natural for us to wonder whether bills of less age than ours are being paid while we hold the bag.

You wouldn't intentionally discriminate against us, of course, but we realize it is human nature to pay first the fellow who makes the most noise. The squeaking wheel is the one that gets the grease.

Won't you please look over your bills now and see how close to the top of your file our invoice should be placed? Then, if you agree that our request is fair, please send us your check for \$212.65 to pay that invoice of May 15.

Sincerely yours,

*John M. Palmer*

Sales Manager

## LETTER 5

### Tested Pulling Power: 40%

This straight-from-the-shoulder appeal to fair play collects 40% of the accounts on which it is used. The reasons for its effectiveness are summed up as follows by Mr. John M. Palmer, Sales Manager: "We believe this letter is successful because it calls up an experience which everyone has had. It appeals to a person's sense of fairness. But perhaps the greatest factor in its pulling power is this: Our business is such that we know personally most of our customers. For that reason we can employ a letter which will fit the individual to whom it is addressed. This letter is sent only to customers who are habitually careless and delinquent."

Undoubtedly the degree of personal acquaintanceship between creditor and debtors is a valuable factor in the success of this letter. It permits a first-name approach and a personal tone in keeping with it. Moreover, this personal relationship prevents any possibility that debtors might resent a letter that so frankly "lays the cards on the table."

This fair-play appeal, incidentally, is preceded by two statements and usually by two personal letters. The accounts on which it is used are at least three months past due. Its average of 40% collections is based upon returns over a period of three years.

## THE FEDERAL GLASS COMPANY

COLUMBUS, OHIO

Dear Mr. Blank:

During the past few weeks the newspapers have been filled with reports of floods, tornadoes, and other accidents that have touched practically every one of us, directly or indirectly, in one way or another.

Therefore, even though your February account amounting to \$156.75 is somewhat past due according to terms, we hesitate to ask for the money lest you may be one of those who sustained direct loss and need temporary assistance.

Will you inform us promptly if you were affected? If so, you may count upon our wholehearted co-operation. Otherwise, we shall appreciate your check just as soon as you can conveniently send it.

Sincerely yours,

*E. W. Hillman*

Treasurer

## LETTER 6

### Tested Pulling Power: 55 %

Because of its timely-topic approach to the subject, this letter carries far more attention value than the average collection reminder. Moreover, its considerate treatment of the debtor—lest his business may have been adversely affected by circumstances beyond his control—stimulates the normal desire to respond to fair treatment.

This letter was sent to a general list of accounts following a disastrous Ohio Valley flood. It was the first reminder mailed to customers whose bills were approximately two weeks past due on 30-day net terms. It collected 55% of the accounts on which it was used.

“The reaction of customers to this letter was splendid,” says Mr. E. W. Hillman, Treasurer. “We received many answers thanking us for our willingness to co-operate. In many cases, even though customers were hard pressed for funds, they sent their checks anyway.”

Similar letters, adapted to the circumstances of each local catastrophe, are used by The Federal Glass Company with equally successful results, points out Mr. Hillman. Although these letters are primarily collection reminders, the offer of co-operation in times of emergency does as much to build goodwill as to collect accounts. And incidentally, when the offer is accepted, the creditor lives up to it!

7  
FORBES  
120 FIFTH AVENUE  
NEW YORK CITY

Dear Mr. Blank:

If I were you  
And you were me,  
A different story this would be.

If you were me  
And I were you,  
This bill would not be overdue.

Since I am I  
And you are you,  
Please help me out of this mean stew.

Thanks sincerely,

*Richard E. Kline*

Circulation Manager

## LETTER 7

### Tested Pulling Power: 30 %

Small bills are often the most difficult to collect. Their very insignificance leads to their neglect. Moreover, the debtor has little fear of drastic action as the result of nonpayment, since the amount of his indebtedness does not justify the expense and inconvenience of legal proceedings. And to complete the list of obstacles, an insistent tone on the part of the creditor is instantly resented by the average debtor, who feels that the trivial amount involved should not be taken so seriously. Yet enough little drops of water make a mighty ocean. Hundreds of small bills represent a large sum of money.

*Forbes* magazine has found that bills for unpaid subscriptions are very often mislaid and overlooked. The conventional reminder makes so little impression that it is quickly forgotten. So *Forbes* uses collection letters that are unconventional. An approach that is distinctly "different" has more attention value and far greater memory value than the usual, run-of-the-mill reminder.

The "If I were you" letter—third collection unit of the *Forbes* series—has averaged 30% collections in its use on thousands of subscription charge accounts. In the words of Mr. Richard E. Kline, Circulation Manager, "This letter is successful because it is different, cheerful, and in verse. Many payments are accompanied by an appropriate reply, also written in verse. Then, too, we frequently receive comments like this: 'I couldn't resist your poem.'" Such good-natured responses indicate that this letter does its work without jeopardizing the goodwill of delinquent subscribers.



## THE GATES RUBBER COMPANY

DENVER, COLORADO

Dear Mr. Blank:

Many thanks for your check for \$1659.45. But when we saw it was dated May 28, in payment of invoices due May 10, it reminded us of this little story:

"Thanks very much," said the vicar, as Tommy handed up his offering for the harvest festival. "I must call round this afternoon and thank your mother for those nine beautiful apples."

"P-please, sir," stammered Tommy, "would you m-mind thanking her for ten apples?"

Like the vicar, we'd like to have the 'tenth apple' to thank you for, too. In our case it's the 2 per cent cash discount of \$33.87, incorrectly deducted from your check which was 18 days late.

As our terms are 2 per cent, 10 days, no doubt this was an oversight. We shall appreciate it if you will approve this request and pass it along to the proper person so that we may clear up your May account as quickly as possible. Please make your check for \$33.87— and thank you.

Cordially yours,

THE GATES RUBBER COMPANY

*H. E. Vayo*

Credit Manager

## Tested Pulling Power: 40 %

A perennial collection problem is that of the unearned discount. The allowance of a 2 % deduction for payment within ten days actually amounts to a premium for prompt payment. Yet many customers who have not qualified for the discount proceed to deduct it from the amount of their bills. Although the sum involved is ordinarily small in any individual instance, the general allowance of unearned discounts would soon amount to a sizable figure. Moreover, it would hardly be fair to the customer who earns his discount to make the same concession to the buyer who does not deserve it.

Yet manufacturers and wholesalers cannot afford to offend the retail merchants who supply the outlet for their goods. So the problem boils down to this: The seller must collect his additional 2 % without sacrificing the goodwill of the customer who has taken an unearned discount. A ticklish job, it's true—but perfectly possible.

The letter shown on page 134 was written by Mr. C. A. Winsor to solve this very problem. It collected the unearned discount from 40 % of the retailers to whom it was sent. Equally important, it did not offend anyone. "The customer comments on this letter were entirely favorable and complimentary," says Mr. H. E. Vayo, Credit Manager.

## THE GATES RUBBER COMPANY

DENVER, COLORADO

Dear Mr. Blank:

Paying a bill, Mr. Blank, is just like climbing a hill or a mountain. Lots of times it's a tough job before you reach the top, but it can be done—step by step—and finally the rocky road is all behind you.

Step by step, with partial payments, you were doing a great job of clearing the old indebtedness. Then, just as you were about to get on top and put all this indebtedness behind you, something happened.

Just one more step would have turned the trick and you'd have had this old bill licked to a frazzle. Seems a shame, doesn't it, that the sum of only \$25 stands between you and your goal?

Surely, though, you have overcome much bigger obstacles than this. Just as surely, you can still lick this problem and reach the point where you can look back and realize you've made the grade.

Just one more step and you HAVE made it! That step is the final \$25 payment about which we have written you several times. In justice to your own past efforts, won't you please mail that check for \$25 right away?

Sincerely yours,

*H. E. Vayo*

Credit Manager

## LETTER 9

### Tested Pulling Power: 30 %

This letter sells the debtor on the idea of completing his payments as a matter of personal pride. Its strongest appeal is epitomized in this sentence: "Seems a shame, doesn't it, that the sum of only \$25 stands between you and your goal?"

This type of letter, of course, is applicable only to cases in which debtors have nearly completed the payment of their accounts. "It is not a letter that can be used day in and day out," says Mr. H. E. Vayo, Credit Manager, "but rather in special cases involving difficult accounts seriously past-due or slow payers who remit by installments stretching over several months.

"I have used the letter several times," Mr. Vayo continues, "usually spotting it in the 'next to final request' position. On the average, this letter was preceded by seven reminders. The types of past-due account that received this eighth letter were obviously tough, and I feel gratified that it averaged three checks in every ten requests."

Certainly a pulling power of 30% on such difficult accounts marks this letter as highly successful. Retailers who must remit by installments are usually hard pressed for funds, and whatever may be the appeal of a collection letter, the debtor who has no money is unlikely to respond.

## LETTERS IO AND II<sup>1</sup>

The two letters that follow are typical of the collection methods used by The Hecht Company, a large department store in Washington, D. C. This firm has become widely known for the humanness of its collection correspondence. The Hecht policy is to give the debtor the benefit of the doubt as long as any doubt remains. Understanding and co-operation are the keynotes of the collection letters used by this organization.

The following letters are members of the new series recently formulated by The Hecht Company—a series that is producing the best results of any follow-up campaign ever used by this concern. “In preparing this new series of letters we started from scratch,” says Mr. Bert M. Sarazan, Publicity Director. “We deliberately disregarded all previous material, as well as all the time-worn theories that too often govern the character of such work. We have predicated our new series on the belief that the best way to collect past-due accounts, without jeopardizing the goodwill of delinquent customers, is to make our debtors *want* to co-operate by paying their bills.”

Results from the new Hecht series prove the soundness of the approach outlined by Mr. Sarazan. Five co-operative, cordial, friendly letters constitute a series<sup>2</sup> that collects more than 95% of all past-due accounts on

<sup>1</sup> Presented by permission of Mr. Charles B. Dulcan, Sr., Vice President and General Manager, The Hecht Company, Washington, D. C.

<sup>2</sup> Two other letters of this series are shown on pp. 59 and 71.

a strictly amicable basis, without endangering the customers' spirit of goodwill for the firm. In fact, the letters of appreciation written to The Hecht Company by numerous debtors indicate that this collection series actually builds goodwill while inducing the payment of delinquent accounts.

IO

THE HECHT CO.

F STREET AT SEVENTH

WASHINGTON, D. C.

Dear Mr. Blank:

There's an eraser on the end of our pencil ... because we make just as many mistakes as anybody else. Maybe that's why we always try to make allowances for the other fellow—to realize that he's human, too.

Naturally, we were concerned when we didn't receive the \$31.20 payment on your account due this month. But we knew you made that promise in good faith ... so we realized that something must have come up that you hadn't counted on.

And so this is merely a friendly reminder ... to let you know that if there is anything we can do to help you keep that promise ... just get in touch with us ... and we'll do it.

Yours sincerely,

*Roscoe Reichard*

Credit Manager

II  
THE HECHT CO.  
F STREET AT SEVENTH  
WASHINGTON, D. C.

Dear Mr. Blank:

It's a bromide ... but honestly, nothing is ever as bad as it looks. But the longer you wait, the worse it gets.

That's why we're urging you to do something about your account right now. We want to step into the picture before it's too late ... and help you to fix things up.

But we can't help you if you just sit and worry and don't get in touch with us. If you simply can't manage to send your check for \$31.20 just now, won't you come in and have a friendly chat? It will pay you sterling dividends.

All you have to do is to tell us what you want to do and when you want to do it. We promise you our fullest co-operation.

Sincerely yours,

*Roscoe Reichard*

Credit Manager



THE HEWITT SOAP COMPANY, INC.

DAYTON, OHIO

Dear Mr. Blank:

In going over some duplicate copies of letters this morning I noticed that our Credit Manager has set March 30 as the time he is going to place your account for collection if you have not mailed your remittance of \$67.50.

This certainly was a surprise to me, as our policy is unusually lenient in matters of this kind. If the delay in payment is due to any fault of the Sales Department, will you please let me know at once so that I can get in touch with Mr. Haughey, our Credit Manager, and delay this action.

Of course, if the situation is due to financial reasons beyond your control, I suggest that you write to Mr. Haughey at once, as I have prevailed on him to delay action until you have had time to reply to this letter.

Sincerely yours,

*Harold B. Stonor*  
Vice President and  
Sales Manager

## Tested Pulling Power: 60 %

This letter from "a man higher up" gives the debtor a final opportunity to "save his face" without the embarrassment or expense of legal action. It suggests to him a course of action in the event the seller has been at fault and urges another form of action if the customer has been the victim of adverse circumstances beyond his control. Whatever may have been the cause of the delinquency, then, this letter shows the debtor a way out.

It is quite apparent, of course, that this message is used late in the collection follow-up series. Specifically, it is mailed to customers whose accounts are at least sixty days past due and who have not responded to any of seven previous letters.

"Originally the letter collected better than 60% of very poor accounts," says Mr. E. L. Haughey, Credit Manager, "and today the average is equally high. The appeal is based on the fact that we have just about run the course of our collection procedure, and it represents a different executive trying to effect a fair settlement of the account."

## THE HEWITT SOAP COMPANY, INC.

DAYTON, OHIO

Dear Mr. Blank:

I wonder if you will help me out of a difficulty—relieve me of taking a step that is absolutely unnecessary in every respect.

When you made your original contract with us, your credit was found excellent, and there is no reason why it is not so today. Time does not change a man's desire to pay his bills, even though it may alter his financial condition.

If we could just meet personally, it would be an easy matter to iron this thing out—you could talk and so could I. As it is, I have done all the talking.

Won't you please say something about this? What has happened? Are we at fault?

To be sure that you have every opportunity to tell me, I am attaching a blank sheet of paper and a stamped envelope—personally addressed to me. Yes, I have even typed in your name.

Sincerely yours,

*E. L. Haughey*

Credit Manager

## Tested Pulling Power: 45%

This letter represents the creditor's final collection effort before employing legal action. Its recipients are debtors whose accounts are several months past due. They have received nine previous letters and have not responded either by part payments or by indicating their intentions as to the settlement of their obligations.

The ninth letter, which precedes this final appeal by five days, is a copy of the creditor's letter to an attorney or collection agency, giving instructions that definite action be taken in ten days. By the time the tenth and final letter from the creditor reaches its destination, only two or three days of the "grace period" remain.

"Of course, this letter goes only to the poorest of accounts," points out Mr. E. L. Haughey, Credit Manager. "Yet, over a period of years, it has collected more than 45% of them, thus saving a lot of expense and delay."

This final letter also prevents a definite "break" with debtors who respond to its appeal, thereby making it possible for the creditor to continue the accounts of any whose future business appears worth the risk.

## LETTERS 14, 15, AND 16

The three letters that follow are typical examples of the collection technique that produces excellent results for L. Hummel's Sons, a large retail furniture concern in Pottsville, Pennsylvania. This firm does a very large percentage of its business on a credit basis, selling on both budget and open charge account terms.

Each month this organization sends all delinquent customers a timely collection reminder based upon some significant calendar date, such as Christmas, Valentine's Day, Washington's Birthday, Easter, or Independence Day. Each mailing is timed so as to reach its readers—very largely local customers—a day or two before the event that furnishes the theme of the letter. Naturally, the timeliness of Hummel collection reminders adds a great deal to their attention value. Moreover, the seasonal tie-up with some occasion of popular interest makes them unlike the general run of collection letters and enables them to hold reader interest.

Mr. F. W. Schimpf, Jr., Manager of Credit Sales, explains the Hummel technique as follows: "We feel that the conventional 1-2-3 method of collection follow-up—in such a business as ours—does not really get results in proportion to the effort expended. For this reason, we have for the past year followed the procedure of sending a 'seasonal' letter each month on all delinquent accounts—both budget and open charge. The wording of these letters is such that they are readily adaptable to both types of accounts and also to accounts

that may vary in the extent of the delinquency from one payment to a number of payments.

“Covering an average total of approximately seven thousand accounts,” Mr. Schimpf continues, “our monthly mailing varies between five hundred and six hundred. It may take two or three letters to get some accounts back in line, whereas others may require only one letter. Since this collection procedure keeps our total delinquency below 10%, we are well satisfied with the results obtained in our own particular case.”

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## HUMMEL'S

510 NORTH CENTRE STREET  
POTTSVILLE, PENNSYLVANIA

Dear Mr. Blank:

St. Patrick's Day is the day on which we hear so many good-natured stories about the "luck of the Irish."

LUCK can help the Irish, and everyone else, out of a lot of predicaments. But luck alone can't accomplish everything.

Take your "good credit rating" with us, for example. That's one of the most useful things you have to fall back on—and you didn't earn it through "luck." You earned it by making your payments regularly and proving to us that you are worthy of the privilege of buying on credit instead of waiting until you have cash on hand for the furnishings you want and need.

Now that you've earned a good credit rating here at Hummel's, be sure to keep it good. Your account is overdue and we shall appreciate receiving a payment this week. Then you'll be sure to have "good luck" the next time you want to use your account!

Cordially yours,

*F. W. Schimpf Jr.*

Manager of Credit Sales

## LETTER 14

### Tested Pulling Power: 40 %

"This letter had a particularly strong appeal to the Irish," says Mr. F. W. Schimpf, Jr., Manager of Credit Sales. It was mailed shortly before St. Patrick's Day to all budget- and open-account customers whose bills were past due, regardless of the amount or the length of time involved. The letter collected 40% of these delinquent accounts.

No doubt the timely-topic approach appealed to the curiosity of most customers and gave the letter unusual attention value. But the strong pride appeal of the third paragraph probably contributed more than any other single factor to the success of this letter. Complimenting a customer on his past credit record naturally makes him want to maintain his high rating. It's the same old story all over again—"Molasses catches more flies than vinegar." And until there is a radical change in human nature, this old rule will continue to apply.



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HUMMEL'S

510 NORTH CENTRE STREET  
POTTSVILLE, PENNSYLVANIA

Dear Mr. Blank:

Some thoughtful folks—

—remember everybody when Christmas rolls around.

They flash a smile of cheer to the cop on the beat.

They invite the mailman in to warm his hands.

They enjoy giving kiddies cute little toys.

They give all their relatives nice, useful gifts.

They buy a ribbon for the kitten and toss a big soup bone to the puppy.

And by gosh, they even go so far as to remember the "forgotten man"—the fellow to whom they owe some money. They remember him along with the rest by making a past-due payment.

That's the sort of thoughtful person I've got you figured out to be, so if the shoe fits—

Cordially yours,

Amount: \$33.05.

*F. W. Schimpf Jr.*

Manager of Credit Sales

## Tested Pulling Power: 60%

Columns of criticism have been directed against the practice of basing collection appeals on the general theme of Christmas. True enough, the results of this practice have been unsatisfactory in many instances. But quite possibly the fault has been with the letters themselves, since most of them have attempted to combine a request for payment with an expression of seasonal good wishes. The two simply won't mix, for most debtors resent any effort to disguise a collection reminder as a Christmas card.

But here is a letter that's different. Although it is based upon the Christmas keynote, it sticks to the main purpose—collecting the account. The seasonal reference is used only as the basis of an effective pride appeal.

This letter was mailed to all customers whose accounts were past due, regardless of the amount of the delinquency, the length of time involved, or the number of previous reminders. It collected 60% of the accounts on which it was used. Not only did this letter bring checks three times out of every five, but it actually strengthened the friendly spirit between debtors and creditor. One could hardly ask more of any collection letter.

In the words of Mr. F. W. Schimpf, Jr., Manager of Credit Sales: "The results from this letter definitely proved to us that December is not the month to let up on collection work, contrary to the popular belief in the retail furniture business." Certainly Mr. Schimpf bases his conclusion on convincing evidence.

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## HUMMEL'S

510 NORTH CENTRE STREET  
POTTSVILLE, PENNSYLVANIA

They say, Mr. Blank—

—that Friday the 13th is an unlucky day—  
that folks should carry a good-luck token to  
bring good fortune on this day. So here's a  
four-leaf clover which we hope will do the trick  
for you.

And here's another friendly suggestion— you  
ALWAYS have "good fortune" on your side if you  
handle properly your credit privileges at  
Hummel's.

An account here can mean a lot to you down  
through the years, so don't risk your credit  
rating by getting too far behind in your pay-  
ments.

For the sake of your good fortune, please come  
in soon and make a payment on your past-due  
account.

Good luck,

*F. W. Schimpf Jr.*

Manager of Credit Sales

## Tested Pulling Power: 40%

This letter was mailed to all Hummel customers whose accounts were past due at the moment, regardless of the amount owing or the length of the delinquency. The nature of the letter made possible such a blanket application to all accounts, since the reminder was based on a calendar date rather than upon previous collection effort.

In commenting on the success of this appeal in collecting 40% of the total number of delinquent accounts, Mr. F. W. Schimpf, Jr., Manager of Credit Sales, points out that the curiosity appeal of the opening sentence gives this letter more than the usual amount of attention value. He attributes the success of this reminder to its connection with a subject of public interest. "The letter had general appeal," he observes, "tying in with a popular subject of conversation—Friday, the thirteenth."

In addition to its timeliness, this letter approaches its task in a constructive, cheerful manner. It shows the debtor what he has to gain by paying his past-due account and maintains its friendly tone quality even to the complimentary close, which consists of an expression of good wishes well suited to the occasion.

<sup>1</sup> This letter carried the "gadget appeal" of an artificial four-leaf clover, which was attached to the sheet immediately above the body of the letter.

Tested Pulling Power of Series:  
Reduction of Bad Debt Losses on  
Mail-order Accounts to Less than  
 $1\frac{1}{2}\%$  a Year

The four letters that follow show why the Miles Kimball Company of Oshkosh, Wisconsin, publishers and creative printers, succeed in keeping their losses on bad debts below  $1\frac{1}{2}\%$  annually. Such a record is remarkable, since this firm has some forty thousand customers and sells to many thousands of people each year who are total strangers. "Perhaps that would be a high percentage in some types of business," says Mr. Miles W. Kimball, President, "but I think it is quite low for a mail-order operation such as ours, wherein the average account ranges between two and fifteen dollars."

The collection of mail-order obligations involving such small amounts is indeed a difficult problem. There is no direct, personal contact on which to base the appeal. In addition, the debtor who owes a small sum—such as \$2.50, for example—has little fear of impending legal action as the consequence of nonpayment. "We have no weapon other than persuasion," observes Mr. Kimball, "and of course all our accounts must be collected by mail. So our collection pieces are constantly in review and we are perpetually experimenting with new ones to take the place of those already in use. This process of elimination has been going on for quite a period of

time, so any piece included in our follow-up campaign today is there because it has earned its spurs."

The four letters that follow do not constitute the entire Kimball series, by any means, but they are typical examples of the friendly, human methods that have all but eliminated bad-debt losses for this organization.

# MILES KIMBALL COMPANY

KIMBALL BUILDING  
OSHKOSH, WISCONSIN

Dear Mr. Blank:

The worst has happened! Elmer, our Treasurer, has found out about your account and is threatening to write you a letter!

As a friend of yours I implore you to pay now—before it is too late! People who get Elmer's collection letters never recover. We hide the Accounts Receivable Ledger from him, but sometimes he finds it and gets out of hand. If you realized the horror of it, you'd mail your check at once. If you had seen the pitiful results as we know them! Young men prematurely aged and strong men broken—babbling in a corner through palsied fingers. It is hideous!

Usually Elmer's letters result in 40 per cent collections and 60 per cent suicides. He may have other words in his vocabulary besides "sue," "legal action," and the unrepeatables, but no one has heard him use any since the spring of 1908.

Elmer's old mother (who has been in a sanitarium since he was seven) tells us that he was a happy, normal boy until he was five. Then a neighbor child persuaded him to trade two old pennies for one shiny new one. When Elmer found out he'd been hornswoggled, the change came overnight. He earned his first dime drowning kittens, worked in a slaughter house when he was fourteen, and is now Treasurer of our Company. He is President of the League for Restoration of the Death Penalty and has filed a standing application for the job of public hangman.

You see the situation. I like people—and I just can't stand the thought of having Elmer destroy your will to live. So please, for your own sake and the ease of my conscience, mail your check today for the \$4.65 you owe us—or you may get a letter from Elmer—Heaven forbid!

Urgently yours,

MILES KIMBALL COMPANY

*Miles W Kimball*

President

## Tested Pulling Power: 34 %

"We use the 'Elmer' letter only on our Christmas Greetings open accounts," explains Mr. Miles W. Kimball, President. "This group represents a considerable proportion of our annual volume, and consists of the better class business and professional men—the sort who can see the humor which we have tried to inject into this letter."

Undoubtedly the humorous element of the "Elmer" letter is responsible for its memory value and its collection efficiency. The letter faces a difficult task in that most of its recipients are persons with whom the creditor has dealt entirely by mail; thus the relationship is impersonal—a situation that complicates the task of inducing prompt payment. Furthermore, the accounts on which this letter is used are uniformly small, involving only a few dollars. This fact makes a serious approach to the problem somewhat hazardous at such an early stage of the follow-up campaign, since the "Elmer" admonition is the first full-length letter mailed to Christmas Greetings customers after a printed reminder or two. A serious discussion of the debtor's credit responsibility would be resented by some persons whose delinquency was the result of oversight.

But no one resents the ridiculous—unless he's the "goat." The completely unorthodox character of this amusing "warning" brings a smile instead of a frown and induces 34 % of the delinquent mail-order customers to send their checks. Many a remittance is accompanied by a good-natured note expressing the hope that it will arrive before Elmer gets out of hand. "Some of our customers even remember Elmer from year to year," says Mr. Kimball, "and in responding to our first statement they explain that they prefer to take no more chances on his wrath."



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## MILES KIMBALL COMPANY

KIMBALL BUILDING  
OSHKOSH, WISCONSIN



*Only The Trombone Player....*

Dear Mr. Blank:

The trombone player is about the only fellow who can let things slide and still be successful.

That's just our way of bringing to your attention—in the friendliest manner we know how—your unpaid December account of \$12.65.

We know you value your credit standing. You recognize it as a priceless asset and want to keep it unmarred. So we feel certain—now that this obligation has once more been brought to your attention—that you will take care of it immediately.

Thank you a lot.

Cordially yours,

*Miles W Kimball*

President

## LETTER 18

Through an amusing reference to the trombone player, this letter points out the danger of "letting things slide" without taking any risk of offending the customer. Its friendly tone stimulates the co-operation impulse and actually builds goodwill for the creditor.

This reminder, which follows up two or three previous ones, shows that a letter can be warm and cordial and still have a serious side to it. The debtor is encouraged to preserve his sound credit standing; yet the constructive approach to this admonition keeps it free from any suggestion of censure. The effectiveness of this letter proves once again the old rule that the best way to assure honesty on the part of a customer is to give him credit for honest intentions.

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MILES KIMBALL COMPANY

KIMBALL BUILDING  
OSHKOSH, WISCONSIN

Dear Mr. Blank:

One feather isn't very heavy ... but did you ever try carrying a feather bed upstairs?

It's true that your obligation to us isn't very large—only \$4.50—but when you add to it the many, many others of similar small amounts, it becomes a real burden.

We are sure you do not mean to work a hardship on us. We have good faith that you'll pay this little bill right away. And we'll surely appreciate your co-operation.

Cordially yours,

MILES KIMBALL COMPANY

*Miles W Kimball*

President

## LETTER 19

This letter follows the “trombone player” reminder shown on page 158. The “feather-bed” analogy makes a strong appeal to fair play and co-operation by showing the debtor that even small bills—in large volume—soon impair the operating efficiency of the creditor’s business.

The last paragraph brings to a climax the explanation completed earlier in the letter. It expresses confidence in the customer’s good intentions, faith in his dependability, and appreciation of his co-operation. Such a combination of tributes to his integrity would be hard to ignore.

# MILES KIMBALL COMPANY

KIMBALL BUILDING  
 OSHKOSH, WISCONSIN

Dear Mr. Blank:

What would YOU do if you had an account like this?

It isn't large ... by itself ... but how a group of them can count up! And when they are for small amounts like this, how hard it is not to lose all your legitimate profit ... and more ... on collection expense!

We were glad to extend open account terms to you—and although this has run far beyond the usual 30 days, isn't it true that we've been fairly decent about waiting this long for our money?

There, in a few short lines, is our whole case. We don't want to be unpleasant. Most certainly we don't want to subject you to annoyance by turning over this little bill to a collection agency.

We want your goodwill! We'd like to count you among our preferred customers. I can't believe that you want us to suffer a loss because of our good faith in sending your order without cash in advance.

So I am inclosing an addressed envelope that needs no postage, and I am appealing to you to use it ... this moment ... to send the small sum which you owe us.

Please!

MILES KIMBALL COMPANY

*Miles W Kimball*

President

## Tested Pulling Power: 15% +

The "What would *you* do?" approach is an excellent change of pace. It shows the debtor the other side of the picture; it makes him realize that he, too, would expect co-operation if somebody owed him money.

This letter reviews the history of the account and recalls to the customer's mind the fair, courteous treatment he has received. Yet there is no trace of the "self-righteous" attitude or the "abused" tone. Even the mention of a collection agency is inoffensive, since the keynote of the sentence that includes it is consideration for the debtor.

"This letter tries to achieve a man-to-man tone," says Mr. Miles W. Kimball, President. "Its objective is to appeal—directly and aggressively—to the customer's sense of fair play. We use this letter somewhere in the series on practically all our slow-pay accounts. Because it goes rather late in the series, however, and therefore has only the more difficult cases to work on, it doesn't produce the results that the 'Elmer' letter gets. But it does collect 15% of all our past-due accounts, and that is better than any other letter we have used as a substitute for it." It should be noted that the percentage of pulling power mentioned by Mr. Kimball is based upon the total number of delinquent accounts each year, many of which have been collected before reaching this advanced stage of the follow-up series. This letter, therefore, collects far more than 15% of the accounts on which it is actually used.

<sup>1</sup> A statement of account was attached to this letter.

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GEORGE KOCH SONS, INC.

2112 PENNSYLVANIA STREET

EVANSVILLE, INDIANA

Dear Mr. Blank:

"Time Marches On" ... or so they say on the radio.

Sometimes, though, you'd almost swear that ... instead of marching ... the old boy with the scythe had become a modernist and was using an airplane to get around.

It doesn't seem like it ... does it ... but it was four months ago that we shipped that November order to you. It amounted to \$68.50. You surely intended to pay for it before now, but probably didn't realize just how long past due it was.

We don't like to come right out and ask for a check, but we do hope you'll send us one soon. We certainly will appreciate it.

Cordially yours,

*Joe H. Coggin*

Credit Department

## Tested Pulling Power: 20 %

This letter was mailed to retail florists, gift shops, small department stores, and undertaking establishments whose accounts ranged from four months to one year past due. In most cases three regular statements had preceded this letter. The first contained merely a listing of the account, while the second and third carried brief notations requesting payment. In some instances a short reminder letter had been used in addition to the three statements.

This letter, then, was the fourth unit of the collection series in most cases, and the fifth effort in a few instances involving the older accounts. It collected 20% of the delinquent obligations at once; in addition, it induced several debtors to make definite arrangements for future settlement.

Mr. Joe H. Coggin of the Credit Department analyzes the effectiveness of this letter as follows: "We have found that in this letter—as well as in others which we have used from time to time—the friendly humorous angle plays a large part in the actual collection of the old bill. Although this letter does have a very definite 'please remit' flavor, it is sugar-coated so that it cannot possibly leave a bad taste in the customer's mouth."



## KUSER COAL AND ICE CO.

GREENWOOD AVE. AND THE CANAL

TRENTON, N. J.

Dear Mr. Blank:

This is perhaps one of the hardest letters I have been called upon to write in some time. Yet it contains a thought which is mighty important to both of us.

This year, due to general conditions which were beyond the control of any of us, there are several customers who still owe a balance from last year's coal ... and because of this have not yet asked us to fill their requirements for this year.

You are included in this group.

Because we do want to serve you ... and because we want you to burn the wonderful Kuser Anthracite we have for you, there is a suggestion I'd like to make.

Let us work out a plan whereby you prorate your past indebtedness with us, and at the same time we'll furnish you coal as you require it during the remainder of this season. Under this plan the purchase of your coal for this year will be made easy ... and at the end of the season there will be that glorious feeling ... your coal will be paid for and your old indebtedness "cleaned up."

Won't you come in so we can discuss this plan ... and see just how we can work it out? Or, if you prefer, we'll send someone to see you.

One way or the other, let's get together soon. Our companies are the kind that should always deal with each other. I am anxious to go more than half way in keeping our friendship active.

So let's talk it over—we'll find the way!

Cordially yours,

*Charles H. Reichert*

President

## Tested Pulling Power: 75 %

As this letter illustrates, the desire to render further service is sometimes an effective basis for a collection appeal. Although it is primarily a collection letter, this message expresses the creditor's interest in performing a helpful service and shows the debtor how he can profit by arranging to pay his past-due account. No one can resent a letter that is based on a desire to be helpful—especially when its tone is so friendly and its point of view so considerate.

In addition to building goodwill, this letter brought payment of 75 % of the delinquent accounts on which it was used. It was sent to customers who had been buying for several years and whose accounts appeared worth keeping. It was preceded by two simple reminders and was mailed when accounts were approximately ninety days past due.

# JOHN LAWRIE & SONS

515 SO. FRANKLIN ST.

CHICAGO, ILLINOIS

Gentlemen:

This is station WZBD Chicago—

Police Broadcast—

Calling all cars!  
Calling all cars!  
Calling all cars!

—be on the lookout for—

That's an old familiar sound over the airplanes.

We've borrowed the idea and we're broadcasting—  
This is station PDA Chicago—

Calling all checks!  
Calling all checks!  
Calling all checks!

—be on the lookout for one issued that will  
answer the description of the attached state-  
ment.

James A. Blank Company please call this station.

We're signing off now—

*Cletus M. D'Este*

Collection Manager

## Tested Pulling Power: 68 %

Unique, appropriate, and friendly—these three words explain the success of this letter. Its unusual approach appeals to the debtor's curiosity and gains his attention. The setup and brevity of the message make it easy for him to read. The friendliness of the reminder arouses his desire to co-operate.

This letter was sent to wholesale athletic dealers, garment manufacturers, and wholesale dry goods merchants. It was preceded by two reminders: (1) a duplicate statement when accounts were fifteen days past due, and (2) a second duplicate statement, with a sticker bearing the words "Your Attention Please," when accounts were twenty-five days past due. This reminder was mailed five days after the second duplicate statement—when accounts were thirty days past due. Its results were tested on three separate mailings, which averaged seventy-eight accounts per mailing. The letter averaged 68% collections within a period of ten days.

"This letter was the subject of more customer comment to salesmen than any other letter we used," says Miss Cletus M. D'Este, formerly Credit Manager. She continues: "The auditor for a nationally known athletic goods concern wrote as follows: 'Your letter calling our attention to the unpaid invoice—besides being a masterpiece as a credit letter—gets results. You will find our check attached.'"

Dear Mr. Blank:

Sent "it"? . . . . . YES!

What? . . . . . A statement.

When? . . . . . About a month ago.

Where? . . . . . To YOU.

How? . . . . . By mail.

Why? . . . . . 'Cause account was due.

Check received? . . . . NO!

Reason? . . . . . Don't know. Mr. Blank  
hasn't told us!

BUT. . . . . I am sure you will send  
it NOW!

Thank you, sincerely,

C. G. Morgan

Assistant Credit Manager

## Tested Pulling Power: 55%

The "question-and-answer" make-up of this reminder gives it unusual attention value and makes it easy to read. Moreover, the novel interrogative approach adds considerably to the memory value of the letter.

This brief message was used as the second unit of the collection series, following a combination statement-invoice which had been mailed at the maturity of accounts. The letter was sent to 141 merchants who operate general stores, hardware stores, electric shops, furniture stores, and department stores. It induced payment in full of 78 accounts—a pulling power of 55%.

"This letter brings us much favorable comment," says Mr. C. G. Morgan, Assistant Credit Manager. "Frequently the customer's check is accompanied by a witty remark in the same question-and-answer form as our letter," continues Mr. Morgan. "But even more important than these expressions of goodwill—this collection appeal has yet to cause any criticism or unpleasantness. We attribute its success to the fact that it's different from the ordinary, everyday letter. Then, too, it paints a word picture of a one-sided transaction in a brief, unique, and interesting sort of way. And finally, this letter makes it convenient for the recipient to reply. The fact that it is so often returned with comments is proof that its conversational tone has appealed to the debtor and has made it easy for him to respond."

## Tested Pulling Power of Series: 80 %

The three letters that follow are used by the McGraw-Hill Publishing Company, Inc. to collect thousands of small accounts. They are mailed to purchasers of new and renewal subscriptions to any of twenty-four McGraw-Hill publications. Subscriptions are sold through direct mail and field salesmen, and the average unit of sale is less than \$5.

The combined pulling power of the three letters is 80%, despite the fact that amounts of less than \$5 are difficult to collect. They are so small that they are often overlooked; they simply don't register in the minds of debtors as larger sums do. Moreover, delinquent customers have little fear of actual legal proceedings involving such small amounts, so the fear appeal is of little use as an inducement to prompt payment. Finally, the smaller the sum involved, the greater is the customer's resentment of insistent collection pressure.

The following series of three letters avoids any hint of impatience or sternness, using instead the appropriate co-operation appeal. In addition to its effectiveness in drawing remittances, this series has actually been a goodwill builder for the McGraw-Hill Publishing Company.

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McGRAW-HILL PUBLISHING  
COMPANY, INC.

330 WEST 42ND STREET  
NEW YORK CITY

\*



Dear Mr. Blank:

An alarm clock never intends to offend. It simply reminds us of something we meant to do anyway.

Will you accept this letter as a friendly little alarm clock, reminding you that you intended to send us your check for \$4.50 today?

Thank you.

Sincerely yours,

*J. E. Carrig*

Circulation Credit Manager



## Tested Pulling Power: 35 %

This letter is the first of the series mailed to subscribers (both new and renewal) to any of twenty-four McGraw-Hill publications. It is sent to those who have not paid their subscriptions in response to an invoice of acknowledgment—the only previous collection effort.

As used continuously on thousands of accounts, this letter averages 35 % returns. "It receives much favorable comment," says Miss J. E. Carrig, Circulation Credit Manager. "Subscribers react to the gentle reminder which has more than the usual dunning appeal. It creates goodwill and pulls a high percentage of returns because the alarm clock is a universal symbol, and it is human nature to respond to its call. Many subscribers have requested permission to use the letter for their own collection problems."

McGRAW-HILL PUBLISHING  
COMPANY, INC.

330 WEST 42ND STREET  
NEW YORK CITY

Dear Mr. Blank:

There's a belief in the McGraw-Hill Publishing Company that a request for payment of an overdue account should be:

1. Friendly
2. Brief
3. Successful

This letter is sent in a FRIENDLY spirit and ... for your convenience ... we've made it BRIEF. Its SUCCESS depends on you.

Won't you, therefore, please attach your payment to the inclosed bill and mail ... TODAY ... while this letter is before you?

Sincerely yours,

*J. E. Carrig*

Circulation Credit Manager

## Tested Pulling Power: 25 %

This letter is mailed to McGraw-Hill customers for new and renewal subscriptions who do not respond to the letter shown on page 173. This reminder is used, therefore, as the second letter in the collection series, and is sent when accounts are approximately thirty days past due. It is preceded by an invoice of acknowledgment and the simple reminder previously mentioned. Throughout its period of use on a large volume of subscription accounts, this letter has collected 25 % of the delinquent debts.

The McGraw-Hill Publishing Company has received numerous comments on this reminder—all of them favorable. "Judging by the written response to this letter, the reaction to it has been completely favorable." This is the statement of Miss J. E. Carrig, Circulation Credit Manager. "It is a goodwill builder," she continues, "having received much favorable comment from subscribers who react best to the simple reminder type of letter despite the fact that their accounts are past due."

McGRAW-HILL PUBLISHING  
COMPANY, INC.  
330 WEST 42ND STREET  
NEW YORK CITY

Dear Mr. Blank:

I know your account is as "Good as Gold."

I also know that this charge is small and ... in the press of other matters ... has probably been overlooked.

If yours were the only small account on the books, I'd be happy to see that a reminder was sent to you not more than every month or six weeks, until it suited your convenience to settle it.

But ours is a business of small accounts, and when they are not paid promptly, their handling involves considerable expense and an annoyance to our subscribers.

To avoid such inconvenience won't you send us your payment—TODAY—while this letter is before you. Just clip it to the attached statement and return it to me in the inclosed postpaid envelope.

Thank you very much. I certainly will appreciate this courtesy.

Sincerely yours,

*J. E. Carrig*

Circulation Credit Manager

## LETTER 27

### Tested Pulling Power: 20%

This letter is mailed to McGraw-Hill subscription customers who do not respond to either of the preceding letters (shown on pages 173 and 175). It constitutes, then, the third letter unit in the collection series, preceded by an acknowledgment invoice and two friendly reminder letters. It is mailed when subscription accounts are forty-five days past due.

Results from this letter, which is in continuous use, average 20% payment returns on delinquent subscription accounts. The courteous, friendly tone of this reminder prevents any possibility of resentment on the part of the recipient. The appeal to co-operation, based on an explanation of the creditor's position, eliminates any evidence of insistent collection pressure; yet it stimulates a favorable response. "The reaction to this letter is exceptionally good," says Miss J. E. Carrig, Circulation Credit Manager. "Many subscribers express their appreciation of our friendly attitude and our patience in view of previous reminders. This letter gets results without any sacrifice of goodwill. Some of the responses we have received would indicate that it has actually *built* goodwill for us."

## MERCHANTS ICE AND COLD STORAGE CO.

LOS ANGELES, CALIFORNIA

Dear Mr. Blank:

Here's a dollar! Yes, it's a REAL dollar—nice and clean and new.

Keep it if you want to, after you've read this letter. But I don't believe you'll want to—then.

Here's what it's all about:

I've made an investment of a thousand dollars in human nature—human kindness. I've mailed a thousand dollars—in a thousand letters to a thousand people picked at random. I have done this because I believe that everyone is REALLY kind, way down inside—that no one is really heartless—and that the only reason why folks do not help where help is needed is just because these needs are not IMPRESSED upon them hard enough.

And that's the mission of each of my thousand dollars—to impress the importance of a need. This thousand dollars is my subscription to the Orthopaedic Hospital-School for crippled children—and I'm investing in the belief that EVERY ONE will come back in the stamped return envelopes I am inclosing—and that each dollar will bring back several more—at least another—with it. So our subscription, which I'm starting in this way, will be at least two thousand—maybe five—for there are going to be a lot of you who send a five or a ten—or more—when you mail my dollar back.

Remember—both my dollar and your dollars go to help crippled children.

Will EVERY ONE come back? Will every one bring something more? Are people really kind—or REALLY heartless? Have I made a good investment?

What is YOUR answer?

Sincerely yours,

*F. G. Calkins*

President

## Tested Pulling Power: 96 %

The acid test in collection writing is the successful solicitation of funds for a charitable enterprise. The writer of an appeal for contributions to an orphans' home, a school for the blind, or a children's hospital cannot appeal to his readers' sense of self-interest or fear; he cannot exert any collection pressure, since there is no obligation involved. Those who receive his letter do not owe him anything—not even the time required to read his message. Moreover, he cannot appeal to their acquisitive impulse, for he has nothing tangible to offer them in exchange for their contributions.

The problem involved in such a letter is the most difficult type of selling job. People will contribute funds to a charity home, school, or hospital only if they are completely "sold" on the idea. Even a small contribution, such as fifty cents, represents enough purchasing power to buy a variety of tangible articles. So the solicitor must convince them that they will derive more satisfaction from supporting a worthy cause than they could gain from any other use of their contributions. The best approach to the problem is usually that which credits them with a sincere desire to aid public welfare to whatever extent they can.

Yes, this is the most difficult kind of collection work. But it can be done! The famous "dollar bill letter," written by the late Mr. F. G. Calkins,<sup>1</sup> has been called

<sup>1</sup> This letter is presented by permission of Mrs. F. G. Calkins, Los Angeles, California.

“the most successful collection letter ever written.” It was mailed—entirely without selection—to 178,000 persons whose names were acquired from telephone directories. Inclosed in each letter was a genuine dollar bill. The pulling power of this letter was 96%, and the contributions which it collected amounted to a third of a million dollars. What more convincing proof could one find that human nature makes a person want to live up to an expression of confidence in his honesty?



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THE MOORE FUEL CORPORATION

23 ROSE STREET

DANBURY, CONNECTICUT

Dear Mr. Blank:

It's easy to remember  
That way back in mid-December,  
Your mind from coal and oil was never free.  
When winter winds were howling  
And snow-filled skies were scowling,  
Your first thought was to telephone to me.

But now that winter's over  
And you've started mowing clover,  
There's one more little bill for you to pay.  
We know you wouldn't let us  
Even think you might forget us,  
So we hope your check will soon be on its way.

The amount is \$18.10. Thank you!

Cordially yours,

*Mac D. Moore*

President

## Tested Pulling Power: 15%+

“Probably this rhyming letter produced more favorable comment than any other that we have mailed,” says Mr. Mac D. Moore, President. The letter was mailed on May 1 to all old accounts—some of them six months past due—regardless of the number of reminders they had previously received.

In addition to collecting 15% of these old fuel bills at once, this friendly rhyme induced many other delinquent customers to make immediate arrangements for the settlement of their accounts over periods ranging from one to three months. The reaction to this letter was uniformly favorable. “People would call us,” says Mr. Moore, “wanting to know who the poet was; some would order merchandise by rhyme and still others wrote us lengthy poems that even topped our own. No one was offended and all took it in a good-natured manner.”

## Tested Pulling Power of Series: \$11,521

The five letters that follow show why the collection series of The Ohio State University Association was selected as one of the fifty best direct-mail campaigns of 1940 by the Direct Mail Advertising Association. Although it's hard enough to collect money that people actually *owe*, it is immeasurably more difficult to collect amounts—even small ones—that they do *not* owe. In the latter case the appeal to fear is out of the question, and even the fair-play and self-interest appeals lose power because the “would-be” collector is not an actual creditor—he has no claim upon his reader for merchandise delivered or services rendered.

Yet The Ohio State University Association has collected \$3 from many an unsuspecting alumnus who had no intention of “digging up” when the series began. The pocketbook openers were cleverly presented appeals to co-operation and pride (in the form of college loyalty), and an irrepressible challenge to the reader's sense of humor.

The results accomplished by this campaign should silence any credit manager who has a habit of grumbling about the small accounts he has difficulty in collecting. After all, the people who receive his letters at least *owe* him the money he is asking them to send. Here is a brief summary of purposes and results, contributed by Mr. John B. Fullen, Secretary of The Ohio State University Association:

Purposes	Results
1. To collect dues at low cost.	1. \$11,521 collected during 1940 at 21 1 cents per \$3 collection.
2. To increase our membership.	2. 7.8 % increase during 1940, 46 % increase from 1935 to 1940.
3. To promote goodwill.	3. Hundreds of enthusiastic “fan letters” on the collection series.
Cost of campaign, 1939-1940 . . \$819.35	

# FULLEN'S

HANDY  
MEMORY  
"JOGGER-UPPER"



WITH SPACE FOR  
TRANSCRIBING ANY  
NOTES\* AND IDEAS  
MORE IMPORTANT  
THAN PAYING YOUR  
ALUMNI DUES.

\*IF YOU DON'T FIND ROOM  
FOR THESE, YOU'LL KNOW  
THERE'S NOTHING QUITE AS  
IMPORTANT AS PAYING UP

Dear Member:

*Some folks just forget.*

*That's what we hope is all  
that has kept you from paying  
your Alumni dues*

*So - taking that for granted -  
I've invented a little device and  
attached one to this letter in  
the hope it will remind you that  
memories (even of Ohio State)  
are fleeting things unless continually  
freshened by constant contact with  
your Alma Mater through the  
Alumni Association*

*It isn't all memories either -  
there's work for us to do for the University  
Come on now, help get it done!*

*Cordially yours,*

*Jack Fullen*  
ALUMNI SECRETARY

Reproduced by permission of Mr. John B. Fullen, Secretary, The Ohio State  
University Association, Columbus, Ohio.

# FULLEN'S "CAN'T LOSE COIN"



Lay Coin  
on thumb  
and flip it  
(the coin)  
into air

If it Lands **HEADS**  
Take \$3.50 from the  
Baby's Bank  
and send to  
Us today (The  
\$3.50 Not the Baby)



If it Lands **TAILS** don't  
Dog it Any  
Longer Our  
Postman Loves  
to bring Checks

If it Stands on  
**EDGE** move your  
Foot and flip again.  
After all the Exercise  
of doing it Two Times  
out of Three Should  
be Good for You.



Dear Member.

*Are you a coin flipper-upper?  
Lots of folks are when faced with  
a tough decision.*

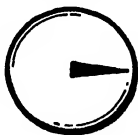
*We're facing one now—how to  
get in all Alumni dues promptly  
without too much clowning at too  
much expense.*

*So we've perfected a "Can't-Lose-Coin."  
No matter how it lights we both win.  
You get twelve months of closer  
relationship with your Alma  
Mater and we get the much needed  
funds to carry on the work of  
the Alumni Association.*

*Cordially yours,*  
*Jack Fullen*  
ALUMNI SECRETARY

Reproduced by permission of Mr. John B. Fullen, Secretary, The Ohio State University Association, Columbus, Ohio.

# FULLEN'S (PATENTED) EVASIVE PERSON PINNER-DOWNER



HERE'S HOW IT WORKS -



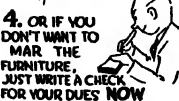
1. CUT OFF  
THE BOTTOM  
OF THIS  
LETTER.



2. INSERT THE  
PINNER-DOWNER  
AT SPOT MARKED 'X'



3. PIN IT ON YOUR  
MAHOGANY DESK  
IF YOU DON'T  
HAVE A  
MAHOGANY DESK,  
A MAHOGANY  
TABLE WILL DO



4. OR IF YOU  
DON'T WANT TO  
MAR THE  
FURNITURE,  
JUST WRITE A CHECK  
FOR YOUR DUES NOW

Dear Member

*It wouldn't be hard to pin you down  
for a \$3.00 contribution if you felt it  
would insure a victory for this State  
in the next Michigan game*

*Superiority on the academic  
side as well as the athletic side is a  
matter of the morale and spirit we  
have. Translate that attitude into a  
relationship of constructive helpfulness  
and you have the reason why we  
maintain an Alumni Association  
and why your support of its work  
is needed*

*Getting to the point without  
further pushing, you'll send in  
your \$3.00 dues now, won't you?*

*That's the Spirit*  
*Jack Fullen*  
ALUMNI SECRETARY

**PAY YOUR ALUMNI DUES!**

Reproduced by permission of Mr. John B. Fullen, Secretary, The Ohio State University Association, Columbus, Ohio.

Hay, Alumnus,



This is the last straw,  
the one that breaks the camel's back.  
Look at the poor critter.

This is the last chance  
I'll have to remind you to  
send in your dues. So, if  
you've been holding out to



LOOKS  
LIKE A  
COMPOUND  
FRACTURE,  
DOESN'T IT?

see what came next, there just won't be  
any next. The Association, like  
the camel, just can't carry  
the load.



HAPPY  
CAMEL

So here's one last fling---  
an appeal to your loyalty. Help  
keep Ohio State out in front. Help  
us get things done for Alma Mater.



ILL EFFECT OF  
OVERLOADING A CAMEL

Get a lift. Give  
a lift. Keep the camel smiling. Keep us  
smiling. Have a good grin for yourself.  
Keep your name on the active list. Send  
in those dues today.



LOYAL  
CAMEL

Yours from the Desert of Hope,  
Jack Fullen  
ALUMNI SECRETARY











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## THE OHIO STATE UNIVERSITY ASSOCIATION

OFFICIAL ORGANIZATION OF THE ALUMNI AND FORMER STUDENTS

OFFICE OF THE SECRETARY EDITOR  
ADMINISTRATION BUILDING CAMPUS  
COLUMBUS OHIO

Dear Alumnus :

The show is over  We've had a lot of fun begging  you to pay your dues Now we're at the end of our string  Much as we hate to, we will have to turn your picture to the wall  and scratch your name off the list  of members of this Association We don't want to be hard bodied  but it has cost us good money  to carry you along. It will be a real tragedy  to drop you but you can change it all  for less than a penny a day .

Please don't turn your back  on this final plea Send your <sup>3</sup> now or at least let us hear  from you on this card

Sincerely,

Jack Fullen  
Secretary

Reproduced by permission of Mr. John B. Fullen, Secretary, The Ohio State University Association, Columbus, Ohio.



## OHIO STATE ASSOCIATION DEVELOPS NEW TECHNIQUE THAT "CLICKS"

The series of letters just presented not only checked a consistent downward trend in membership figures but actually boosted the number of Ohio State University Association members by 7.8% during 1940, swelling the total increase to 46% over the five-year period from 1935 to 1940. This sudden change of direction in the trend of membership figures was no accident; the remarkable five-year gain in the face of an ever-increasing cost of living was not a stroke of luck. Here is the explanation, in the words of Mr. John B. Fullen, Alumni Secretary:

### *Had Plenty to Sell*

As far back as 1935 the program of our organization was becoming increasingly well known and effective. Our officers were hand-picked, prestige big-shots. We were doing good work in getting appropriations from the Legislature for the University. We had secured new dormitories. Our active alumni clubs had increased from 75 to 100. We were staging a well-attended, meaty, annual, fee-less alumni college. We were holding remarkably successful post-collegiate clinics and assemblies for our professional grads in medicine, law, dentistry, and pharmacy. Our magazine was winning prizes for its excellence. We were getting our members preferential seating at football games. We had plenty to sell, but it wasn't selling.

### *Maybe the Approach Is Wrong?*

So we look over the literature in our membership campaigns and collection letters. Aha! Here's the squeak calling for oil! No drawings, no illustrations, no color, no zip. Just words—trite words like "loyalty," "gratitude," "sentiment," "obligation," "need," "dear, old Alma Mater."

That stuff gets thin, year after year.

*For on the First of the Month  
Our Prospects Are Bill Payers,  
Not Sentimental College Alumni!*

Joe College is muttering, "What the Hell do I get out of it?" Stacked beside our dun are dozens of bills for bread, milk, butter, hats, socks, mashie niblicks, liquor, theater tickets, and the stuff that people eat, drink, wear, and live by. We sell him no phonograph or ice box which we can take back; we can't shut off any water or telephone. We sell sentiment, and what's its market value when he's peeved at bill collectors?

*What about Selling a Mood  
Instead of a Bill of Goods?*

The steak is there, but no sizzle—the stuff that gets in your nose and smells good, in your eyes and looks swell, or in your heart maybe, and pulls at it. Our sizzle is sentiment, which is a mood.

Here is a slant that may hit us home.

We won't brag about a superior product or remind him of any obligation. We will tickle his funny bone or stir his risibilities. If that softens him up until the ink gets dry on his check, we win; otherwise we're trying to sell him a dead equine. And he has a lot of other rigor-mortis horses which he *has* to pay for, or else! And *we* can't say "or else."

Suppose we grab off a smile or a chuckle—get him sweet long enough to say, "Aw, Hell, I'll send them a check; it's only three bucks." Then let him go back to cursing the sour-puss bill collectors. We're just friends who know and understand him and who'll kid with him a bit.

*So We Try It*

We start by sending him a piece of cotton to stuff in his ears as a "conscience un-botherer"; we send him a "penny for his thoughtfulness"; we give him a feather to stick in his hat when he pays his dues; we send him a "handy memory jogger-upper," an "evasive person pinner-downer," a "can't lose coin," and the "last straw." We fill our envelopes with gadgets, wisecracks, and tricks. And the results—checks, checks, and more checks!

## THE OSTER MANUFACTURING CO.

2057 EAST 61ST PLACE

CLEVELAND, OHIO

Dear Mr. Blank:

He is of Scotch descent and a native of Scranton, Pennsylvania. Has had years of practical experience in the plumbing field and started in business for himself in 1930. Works hard, gives close attention to his business, and keeps his affairs under control. Payments reported discounted and he is very well regarded in his community.

Does that sound like a word picture of you, Mr. Blank?

In all sincerity, it is an excerpt from a report we obtained when your order reached us for an Oster Machine. It is an excellent report—one of which you can be justly proud. Money can't buy a report like that—it requires years of honest, conscientious effort and has a definite cash value.

I was about to place your account with our attorney, but decided to take another glance at your report before doing so, and I am glad I did. Mr. Blank, I just can't believe that a gentleman of your character—a man with a reputation and record such as you enjoy—would force us to take action. At any rate, I decided to try once more to see if we couldn't settle your account in a friendly manner between ourselves.

We want our money, of course. But we also want to keep your friendship and help you maintain such an excellent record. I am sure we can accomplish both ends if you will co-operate and send us your check for just as much as you can spare, and let us know what your situation is and when the remainder may be expected.

The amount is \$64.25. An addressed envelope that requires no postage is inclosed for your convenience in holding up your part of the bargain!

Yours cordially,

*H. E. Robb*

Credit Manager

## Tested Pulling Power: 95%

Although this letter is used primarily on small business concerns that are individually owned, it could be used (with slight alterations) on almost any type of account. The material contained in the first paragraph, of course, must be adapted to each recipient. The method by which the opening is "made to measure" for each individual debtor is explained as follows by Mr. Harry E. Robb, Credit Manager: "Before we decide to use this letter, the debtor's mercantile report and other reports from our representatives regarding him are scrutinized for all information favorable or complimentary to him. Invariably one or more comments of this nature can be found, and then the letter is built around these complimentary or personal facts to give it the approval or pleasant approach."

This "personal history" letter is used toward the close of the collection procedure. Specifically, it is next to the last unit of the series, followed if necessary by a telegram or a notification that the account is being referred to an attorney.

The strong personal pride appeal on which this letter is based is undoubtedly the principal reason for its remarkable pulling power, which Mr. Robb summarizes as follows: "In approximately 95% of the cases in which it has been used, this letter has produced results. Usually it has brought a check in full payment; in other instances a part payment with a definite promise regarding the remainder; and at the very least, a friendly response that led to eventual payment."

## M. L. PARKER COMPANY

DAVENPORT, IOWA

Dear Mrs. Blank:

Your account has just been referred to me, marked for "final action," and with it the whole history of the account and copies of previous letters that have been written to you.

Because it is the policy of this store that every contact with our customers—whether it be selling them merchandise or collecting for it—shall be one of courteous and cordial interest in the customer's behalf, I have withheld action on this account until I could write to you again.

It would be much easier for you to arrange some basis of payment on this account than to let it be sent out for collection, thereby jeopardizing your credit standing. For, if steps must be taken to collect the account—if it is reported to the Retail Credit Bureau as still unpaid—don't you see how it is going to affect your credit?

I'm sure you don't want this—neither do I. So I'm writing you this last appeal to come in and talk it over with me, and see if we can't work out some arrangement that will be satisfactory.

I feel sure we can, and I'm going to hold your account on my desk until April 15. In your own interests, please come in or telephone me before that date.

Sincerely yours,

*Dean Ashby*

Credit Manager

## Tested Pulling Power: 54 %

Accounts ranging in delinquency from four to six months are usually "tough nuts to crack." Yet this letter collected 54 % of them without sacrificing customer goodwill.

"Our agreeable attitude and interest in the customer's credit standing helped us to keep his goodwill," observes Mr. Dean Ashby, Credit Manager. "Even a last-ditch collection letter can add persuasiveness to its appeal by showing continued interest in the customer's problems."

Two memos on statement forms and four collection letters of increasing intensity had been mailed previously to all delinquent patrons who received this letter. The combination of a strong appeal to self-interest and a genuine offer of full co-operation brought checks from more than half the group who had turned deaf ears to no less than six previous collection efforts.

## PRENTICE-HALL, INC.

70 FIFTH AVENUE

NEW YORK CITY

Dear Professor Blank:

Our Collection Department just sent me the attached bill and asked: "What shall we do about this?"

I am passing this question on to you; I am sure you can see the position I am in. Since I know from experience that professors are not the type of people to dodge their responsibilities, it occurred to me that probably there is an explanation of this matter that I do not know.

Perhaps you have adopted some of the books and are therefore entitled to keep these examination copies for desk use. Possibly you forgot that you had these books on your shelves. Or perhaps you have simply overlooked paying for them. I believe there is some perfectly reasonable explanation. Am I right?

Frankly, our Collection Department is becoming rather insistent about this account. But I have asked them to leave it in my hands until I have a chance to hear from you.

So won't you please use the inclosed business-reply envelope and write me a few lines at the foot of this letter as to how the account will be settled?

Sincerely yours,

*William Alexander*

College Book Department

## Tested Pulling Power: 60%

Publishers of college textbooks send thousands of dollars' worth of "examination" copies to professors for their consideration in selecting the books to be used in their courses. Since many of these books are sent on an approval rather than a complimentary basis—with the full authorization of the recipients—costs are temporarily charged against the persons who have ordered them. The recipients may settle their accounts in any of three ways: they may return the books without obligation, they may purchase them, or they may retain the books free of charge as desk copies if they adopt them for class use. But, inevitably, there are some persons who neglect to return books which they have neither purchased nor adopted.

This situation constitutes a very real collection problem for textbook publishers. They cannot afford to cancel charges that total thousands of dollars; neither can they afford to lose the goodwill of those upon whom they must depend for the sale of their merchandise.

The letter shown on page 196 is the final collection effort in the series mailed by Prentice-Hall, Inc., textbook publishers, to college professors whose accounts are charged with "examination" copies of books amounting to \$5 or more and who have not responded to four previous reminders. Those who receive this message have had fully six months in which to return, purchase, or adopt the books in their possession, since the free examination plan permits them to keep books on ap-



proval for three months, and the mailing schedule of the five reminder letters covers an additional three months.

Despite the long-continued inertia of the group to whom this final letter is sent, it stimulates a favorable response (a settlement in one of the three possible ways) from 60% of the professors who receive it. There are probably several reasons for the success of this letter. In the first place, it affords the debtor a graceful way out of an embarrassing situation by giving him an opportunity to settle his account without humiliation. Secondly, the letter carries a tone of urgency without giving offense, and, though the message is entirely courteous and considerate, it comes from "a man higher up," thus convincing the recipient that his account is no longer considered a matter of mere routine. And finally, a response is motivated by a subtle appeal to pride and stimulated by a closing paragraph that makes it easy for the reader to reply.

"This letter has been mailed to hundreds of professors," says Mr. William Alexander of the College Book Department, "and it has yet to produce the first ill-natured or unco-operative response. This important fact, plus the high percentage of settlements effected by the letter, marks it as a successful one, since the main purpose is to get a definite statement of intent without endangering goodwill."

## REVERE COPPER AND BRASS, INC.

24 NORTH FRONT STREET  
NEW BEDFORD, MASSACHUSETTS

Dear Mr. Blank:

We regret that a number of miles make it impossible to call on you, for we feel sure that you would hand us a check for \$46.54 to clean up that old October account.

While it is true that we have written several letters endeavoring to collect this sum, we realize that you probably have some good reason for withholding payment. We should prefer your check, of course, but if you feel there is any detail about the matter that we should know, won't you please write to us?

Then we will know exactly what the difficulty is and will be better able to co-operate.

Sincerely yours,

*A. W. Raybold*

Credit Manager

## LETTER 38

### Tested Pulling Power: 50%

The friendly approach and complete fairness of this letter make it hard to ignore. No one could resent the request that he report any detail of the original transaction that might be holding up payment, especially when that request is based on an offer of co-operation in settling the matter fairly. And since none of the twelve customers who received this letter had any such details to report, the alternatives were to meet fairness with fairness by paying the bill or to ignore considerate treatment by further delay.

Each of the twelve customers who received this letter owed a bill of less than \$100 which had been delinquent for more than two months. Six of them responded to this friendly, considerate letter by paying their accounts immediately, despite the fact that three previous reminders had produced no response from any of the twelve customers. In addition, five of the remaining six, although unable to settle their obligations at once, responded by explaining their circumstances and promising payment as soon as possible.

# SEALY MATTRESS COMPANY

PITTSBURGH, PENNSYLVANIA

Gentlemen:

S     ell  
E     ducate  
A     nd  
L     et

Your customers know the comfort and quality of the famous Sealy Springs and Mattresses.

We feel confident that the profits derived from following this advice will enable you to send us your check for our January invoice, amounting to \$138.75.

In turn, we will do our part toward reviving prosperity by putting your remittance back into circulation.

Cordially yours,

*M. E. Brislin*

Credit Manager

## Tested Pulling Power: 40%

This letter was mailed to a group of furniture dealers whose accounts were sixty days past due. Previous collection effort had consisted of two conventional letters of reminder.

No doubt the unusual beginning of this message—with its sales promotion approach and the “eye appeal” of its unique mechanical setup—gives the letter exceptional attention value. Moreover, the brevity and breezy style of the message hold interest and stimulate a favorable response, as indicated by the immediate payment of 40% of the accounts on which the letter was used.

“This follow-up unit served as a combined sales and collection letter,” points out Mr. Robert G. Culp, President. Sometimes a sentence or two of timely sales-promotion material, injected at the right spot, adds strength to a collection appeal from a manufacturer to a retail dealer.

40

SKELLY OIL COMPANY

605 WEST 47TH STREET  
KANSAS CITY, MISSOURI

Dear Mr. Blank:

To us ... a check in payment of a customer's account is always an expression of complete satisfaction.

We accept it as evidence that the customer is pleased with the quality of Skelly Products, prompt service, and courteous treatment.

Unless we have fallen short of these standards in some way, won't you give us the evidence of your complete satisfaction, too, by mailing us your check promptly for \$9.84, now past due on your March account.

We'll appreciate your co-operation in attending to it today. Thank you.

Yours sincerely,

*W. J. Sexton*

Retail Credit Manager

## Tested Pulling Power: 39 %+

The cheerful, friendly tone of this reminder preserves the debtor's feeling of goodwill toward the creditor, and at the same time induces payment in full of 39 % of all accounts that have been past due for sixty days. Moreover, it collects part payments on an additional 26 % of these delinquent accounts and produces definite promises regarding the payment of 9 % more.<sup>1</sup>

This letter is the second unit of the collection series, being preceded by a simple reminder that is mailed when accounts are thirty days past due. The time interval between the simple reminder and this second letter is also thirty days.

Probably the best evidence of the favorable effect that this letter exerts is the number of part payments it induces. Ordinarily the tendency of debtors is to wait until they can meet their obligations in full, rather than

<sup>1</sup> These figures are based upon several mailings, of which the one summarized below is a typical example. On January 12, 1941, this letter was mailed to 72 accounts, aggregating a total of \$1,932.55, sixty days past due.

17 totaling	\$305.33 paid in full before January 25, 1941
9 totaling	176.25 paid on account before January 25, 1941
4 responded	.... without payment before January 25, 1941
11 totaling	303.48 paid in full before February 25, 1941
10 totaling	88.61 paid on account before February 25, 1941
3 responded	... .. without payment before February 25, 1941

In summary, of the 72 debtors who received this letter, 54 responded; and of a total of \$1,932.55 in past-due accounts, \$873.67, or 45.2 %, was collected directly by this letter within sixty days after its mailing, with no other effort applied.

to admit their lack of funds by making payments on account. But this letter persuades one debtor in every four to send what he can at the time—convincing evidence of its effective use of the co-operation appeal.

“We have used this letter for more than a year,” says Mr. W. J. Sexton, Retail Credit Manager, “and it really has produced remarkable results on collections and in getting definite commitments from our customers.”



TACOMA PAPER & STATIONERY  
COMPANY

TACOMA, WASHINGTON

Dear Mr. Blank:

After twenty years of experience in credit work, I still have a great deal of faith in human nature and in the inherent honesty of people. I find that, in nine cases out of ten, a man will pay his account if he can. He regards as his obligation the accounts he owes those people who were good enough to extend credit.

I don't know why I am still interested in your account because it is only \$7.46, but I am still hoping you'll help prove that my confidence in human nature is justified.

It is my understanding that you are now well able to take care of your past indebtedness, so I am reminding you of it once more. You don't have to pay it if you don't want to, but, somehow, I am banking on your making good.

Sincerely yours,

*A. B. Coulter*

Secretary

## LETTER 41

### Tested Pulling Power: 75 %

It would be pretty hard for a debtor to ignore this letter and still keep his self-respect. Although there is no trace of the fear appeal—no mention of drastic action—the appeal to pride is very strong. It's just human nature to respond to an expression of confidence in one's reliability.

This letter was preceded by four reminders—two follow-up statements bearing personal notations, and two friendly letters. Its use was confined to small accounts that did not justify resorting to legal action. Mr. A. B. Coulter, Secretary, explains the application of this effective message as follows: "When previous efforts fail, I try this appeal to the customer's honor and integrity."

The pulling power of this letter was remarkable, 75 % of its recipients mailing their checks within a few days after its arrival. Such a high degree of success is the more notable because the accounts on which the letter was used were several months past due and appeared to be impervious to any moderate form of collection treatment.

The reaction of debtors to this letter was altogether favorable. One of them, for example, pinned this note to his check: "Since you put it that way—you win. Here's your check."

42

## TIDE

232 MADISON AVENUE  
NEW YORK CITY

Dear Mr. Blank:

Almost everyone in advertising knows Elbert Hubbard's famous collection letter:

"Dig, partner, dig! It will take only a minute and God knows, I need the money."

Fortunately, we are not in as tough a spot as he was when he penned these famous lines, but we do wish you would dig up \$3 and send it to us in payment of your subscription bill to TIDE.

I know how easy it is to overlook a bill as small as this one—and I am sure you will appreciate that the very smallness of the account makes it doubly expensive to write many letters about it.

So won't you take a minute right now and squiggle out a check for good old TIDE—and let us stop cluttering up your mail with further reminders? Here's another postage-paid envelope—and don't forget to return the upper portion of the bill. Thanks a lot!

Cordially yours,

*I. D. Stevens*

T      I      <sup>for</sup>      D      E

## LETTER 42

This is perhaps the most popular and best-known unit in a series of sixteen reminders that collect past-due bills from 70% of the delinquent subscribers to *Tide*. The letter occupies fourth position in the series.

The friendly tone of this reminder adds immeasurably to the strength of its co-operation appeal. The request for payment is so courteous and cordial that any normal person would respond in the same spirit. No one could take offense at being asked, in such a friendly way, to pay an honest debt—and only a small one, at that.

Since *Tide's* collection follow-up letters are mailed at short intervals, it is impossible to compute the pulling power of any individual reminder. Often the cumulative effect of frequent letters is greater than that of any one message by itself. "It is my belief," says Mr. David Frederick, Publisher, "that the returns are due as much to the preponderance of the mailings as to the pulling power of any one letter."

43

TIME

330 EAST 22ND STREET

CHICAGO, ILLINOIS

Dear Mr. Blank:

Our accounting department does solemnly affirm, maintain, and assert that you owe us \$2.50.

We hate to get excited about \$2.50. We also dislike the usual "collection letter" that bursts into tears in the first paragraph and yells for the law in the second.

Trouble is, though, that you and 999 other subscribers—all holding out \$2.50—leave us \$2,500 in the hole. It is this little problem in elementary arithmetic that shakes our faith in humanity.

So (to quote from an esteemed contemporary) won't you "obey that impulse" and send us your check today for \$2.50, for in this case procrastination is certainly the thief of Time.

Sincerely yours,

*Francis DeW Pratt*

Circulation Manager

Year in and year out, this famous letter remains the most popular in a series of clever reminders that collects well over 90% of all delinquent subscription accounts for *Time*. The humor in this letter is its greatest virtue. Small amounts, taken too seriously, often become a source of resentment to the debtor. He feels that the creditor's concern over a small sum far exceeds the seriousness of the situation.

But no one could feel that way about this letter. There is nothing in it upon which resentment could be based. The letter first brings a smile to the reader and then explains—in terms of simple arithmetic—how even small accounts can become a sizable item when enough of them are outstanding at the same time. And finally, the letter provides another smile—a fitting farewell—through the use of a singularly apt proverb.

This letter occupies the sixth position in a series of twelve reminders. It is preceded by three short, friendly letters, one brief memo, and a rather long, humorous letter. "It is impossible to compute accurately the percentage of accounts which this particular letter collects," explains Mr. Nicholas Samstag, Circulation Promotion Manager. "We treat the series as a unit, and do not attempt to break down results by individual pieces.

"Incidentally," Mr. Samstag continues, "this might be an interesting sidelight on our attitude toward collection letters in general. We feel that the important thing is the series—that it be well balanced in terms of a

certain number of humorous appeals, a certain number of serious, businesslike approaches, etc.—and that these units be arranged thoughtfully in the schedule, so that the correct note is struck at exactly the right time. This series is not a static affair, but changes from time to time as we think certain letters become out of date, as business conditions change, or as the news itself changes.”

44

# TROJAN HOSIERY MILLS

INDIANAPOLIS, INDIANA

Dear Mr. Blank:

When an account runs overdue, the usual collection letter reads: "We believe you have overlooked this amount." We are not going to say that, because we know you regard your obligations too seriously to be negligent about them.

We don't know what has caused the delay in payment of our June 12 invoice for \$224.50, but since it was due thirty days ago, we are sure we can depend on you to mail your check today.

Many thanks.

Sincerely yours,

TROJAN HOSIERY MILLS

*H. Summers*

Credit Department



## Tested Pulling Power: 50 %

An unusual beginning lends attention value and power to this letter. Furthermore, an expression of confidence in the customer's reliability adds strength to its brief, vigorous, and friendly appeal.

This letter was mailed to a group of women's apparel shops and small department stores whose accounts ranged from twenty-five to thirty days past due. Previous collection effort had consisted of one special statement of past-due items bearing a rubber-stamp reminder. The letter collected 50% of the accounts on which it was used.

This reminder accomplishes the two main objectives of collection correspondence as outlined by Miss Helen Sommers, Credit Manager. "A collection letter should not only have immediate pulling power," says Miss Sommers, "but it should also contribute constructively toward a program of educating the debtor to a higher concept of the privileges and obligations of the credit contract, thus making the credit manager's task an easier one in subsequent relations."

<sup>1</sup> Reprinted, with minor variations, from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millians of the Executive Department.

## UNION WIRE ROPE CORPORATION

21ST AND MANCHESTER AVENUE

KANSAS CITY, MISSOURI

Dear Mr. Blank:

We first want you to know that we appreciate the business you have been doing with us, and that it is our purpose to be of service to you whenever possible, now and in the future.

During the past eight years our accounts, originating through sales, have been insured by the American Credit Indemnity Company under a contract that operates on Accounts Receivable very much as an ordinary fire insurance policy does on merchandise or buildings.

Under this contract of insurance we are required to make reports at certain intervals, showing the status of our Accounts Receivable, and when we made our report the first of this year, unfortunately, it was necessary to include your account with us.

In order to show you what we are up against, we are attaching the letter received from the American Credit Indemnity Company, which is self-explanatory.

Will you please let us have your check in payment of the account, as indicated in the letter, so that we can make a report to them of your prompt payment? We are sure that you will understand the situation, and in the event it will be necessary to delay payment, we would very much appreciate your courtesy in informing us so that we can adjust our records properly.

Sincerely yours,

*J. H. Hatch*

Vice President

## Tested Pulling Power: 87 %

Although this letter exerts considerable pressure on the debtor, its tone is so courteous and its point of view so considerate that no reasonable person would take offense. The writer points out that his firm is bound by its insurance contract, and this explanation relieves the creditor of responsibility for any unpleasant aspects of the situation.

This letter was preceded by several bills and by one letter based upon the co-operation appeal. It was mailed to a group of debtors whose accounts were several months past due. Every account involved represented more than \$200. The letter collected 87% of these old accounts—75% within thirty days and an additional 12% within sixty days.

The extraordinary pulling power of this collection message was due primarily to its effectiveness in showing the debtor that *he* would profit by paying at once an account that must be paid eventually. The letter conveyed a definite indication of legal action in the near future; yet the threat was so well veiled and so tactfully handled that its use did not lose goodwill for the creditor. Although the next step was the filing of a claim with the American Credit Indemnity Company, this "last-attempt" collection letter was phrased so diplomatically that it retained the patronage and the friendship of all who responded to its appeal.

<sup>1</sup> Reprinted, with minor variations, from "The Best Collection Letter I Ever Used," a handbook published by the American Credit Indemnity Company of New York, through the authorization of Mr. P. M. Millians of the Executive Department.

## LETTERS 46 AND 47

The two letters that follow are the second and third reminders in the collection series of the United Business Service of Boston, Massachusetts.<sup>1</sup> This organization, which sells primarily to businessmen and investors, issues weekly statistical reports to subscribers at a cost of \$50 a year. Its clientele, therefore, is of rather a high type. But though its customers are honest, they are still human—and therefore forgetful at times. Moreover, even the best of good intentions do not prevent financial difficulties, and it is only human nature to let a subscription bill wait until rents and other operating costs have been paid. So the United Business Service—like all other concerns that do business on a credit basis—must mail collection letters.

Each of the following reminders cuts the number of outstanding accounts in half—a remarkable performance for any collection effort. Furthermore, each is so courteous and friendly that it could not possibly result in any loss of goodwill. Read these letters as though you were the debtor, and see if you don't agree.

<sup>1</sup> The fourth letter of the series is shown on p. 73.

## UNITED BUSINESS SERVICE

210 NEWBURY STREET  
BOSTON, MASSACHUSETTS

Dear Mr. Blank:

No, this is not a dun—just a friendly request, for we are not worrying about your credit.

To furnish so complete a Service, at such a low cost, requires an efficient use of our funds.

Expenses in our Bookkeeping Department consume funds that could be used for more productive purposes—namely, our service to you and to all our clients.

Won't you please co-operate with us in this endeavor, and pin your check for \$5 to this letter?

Sincerely yours,

*Louis F. Fowler*

Director of Service

## LETTER 46

### Tested Pulling Power: 50%

This appeal to co-operation shows the debtor how his attention to his obligation will actually benefit him in terms of a more complete business service in the future. Moreover, the letter explains exactly why and how the debtor's co-operation will help, and makes him want to do his part by paying his past-due account.

Recipients of this message—the second in the series—are businessmen, investors, and other service subscribers whose accounts are thirty days past due. Attached to the letter is a duplicate bill. The preceding reminder consists of a “service” letter, accompanied by the original bill, always mailed on the due date. Since accounts are due—but not past due—when the “service” letter is mailed, it makes no mention of the inclosed bill.

The consistent response to this second letter—computed on the basis of numerous mailings—is the immediate payment of more than 50% of the delinquent accounts. “All the evidence indicates that this letter actually creates goodwill for us,” says Mr. Louis F. Fowler, Treasurer. “Frequently the letter is returned—with the bill stub and a check—bearing some friendly notation such as this: ‘A most courteous reminder, so here is our check.’”

47

UNITED BUSINESS SERVICE

210 NEWBURY STREET  
BOSTON, MASSACHUSETTS

Dear Mr. Blank:

Because we are rendering a service, rather than selling a commodity, we here at the United Business Service have a little closer relationship with our clients than is usually the case with business firms.

That is why we dislike to remind a business friend that his account is overdue. A courteous reminder such as this one, however, is usually all that is necessary.

Amount: \$5.

Sincerely yours,

*Louis F. Fowler*

Director of Service

## LETTER 47

### Tested Pulling Power: 50 %

By expressing the belief that no specific appeal is necessary, this letter actually makes a subtle appeal to the debtor's sense of pride. The very absence of any definite arguments or appeals pays him a compliment—it credits him with a willingness to respond without the use of collection pressure.

This letter—the third in the collection series—is mailed when accounts are sixty days past due. It is accompanied by the second duplicate bill. Preceding collection pieces consist of a “service” letter containing the original bill (mailed on the due date) and the reminder shown on page 218 (accompanied by the first duplicate bill and mailed when accounts are thirty days past due).

“The pulling power of this letter, based on numerous mailings, is always at least 50%,” says Mr. Louis F. Fowler, Treasurer. “Often we receive some comment from the customer in addition to his check,” Mr. Fowler reports. “The following note accompanied a recent remittance: ‘Congratulations on your friendly collection letters. Was tempted to hold out to get your complete set. Hope you will send them, if I am not asking too much.’” In case you are wondering, Mr. Fowler sent him the remaining letters of the series.



## EDWARD WECK &amp; COMPANY, INC.

135 JOHNSON STREET

BROOKLYN, N. Y.

Dear Mr. Blank:

At the outset of 19— we pledge you that we will attend to your wants more adequately, improve our service, and widen our comprehension of your wishes. In addition, we shall endeavor to keep pace with the rapidly changing conditions in the surgical instrument field, to render you a valuable repair service, and so far as is humanly possible to solve all your instrument problems.

These promises are not made to be forgotten next month. We mean to fulfill them throughout the entire year. It will not be easy. It means the purchase of new and more efficient machines, the development of more skilled labor, and the investment of more capital.

To obtain the money, we are compelled to ask our customers to pay us more promptly. For instance, we would appreciate it very much if you could let us have a check covering your June, July, and August accounts, amounting to \$261.87. We are depending upon your continued confidence, goodwill, and co-operation, upon which we place great value.

Cordially yours,

*J. E. Booth*

Vice President

## Tested Pulling Power: 75 %

The "better service" approach of this letter developed logically and smoothly into a request for co-operation in the payment of a past-due account. At the same time the debtor was shown how his co-operation would actually benefit his own interests in the long run in terms of more efficient service. This letter proved effective because the "you" attitude was made the basis of its appeal and because the friendly tone enlisted the customer's co-operation.

This tactful reminder collected more than 75% of the accounts to which it was addressed, despite the fact that the average delinquency was 120 days. The letter was mailed to a group of hospital accounts that had been almost constantly past due for several years. In each case it was individually typed and addressed to the Superintendent. Previous reminders had been sent on an average of at least once a month for many months.

In the words of Mr. F. E. Booth, Vice President, "This letter rang the bell because it was a goodwill letter. Hospital executives will not respond to threats or pleadings, but they will respond to a letter that is interesting and has something in it that appeals to their self-interest. They especially want information on what is happening and what is about to happen. We gave them a picture of changing conditions and the reason why they should pay their accounts followed logically."

## WURZBURG BROTHERS

MEMPHIS, TENNESSEE

Dear Mr. Blank:

Mark Twain once said:

"An injurious truth has no more merit than an injurious lie. Neither should ever be uttered."

What I am about to say to you is the simple truth, but not injurious now.

Your account is past due. Injury to both of us will result if you allow it to fall more seriously in arrears. The injury to you is that your good credit standing will be impaired; the injury to us is that we will continue to be deprived of the use of our money.

We are depending on your co-operation. The amount is \$36.75. Won't you send it now?

Sincerely yours,

*W. J. Whitley*

Credit Manager

## LETTER 49

# Tested Pulling Power: 75 %

This combination appeal to co-operation and to self-interest was mailed to customers whose accounts were thirty days past due. It was preceded by two reminders. The letter collected three of every four accounts on which it was used—a remarkable collection record.

The quotation beginning of this letter, with its opening reference to Mark Twain, is a good “attention getter.” Furthermore, the message is brief and straight to the point—factors that help it to “register” upon the reader.

Although the tone of this appeal is rather serious, the debtor is assured that his credit standing has not yet been impaired and that prompt action on his part will preserve it. The courteous wording of this letter, plus its friendly appeal to co-operation, prevents any sharpness that might give offense. While the message presents a strong case in favor of immediate payment, still it meets all the requirements of courtesy and good taste.

50

## ZANESVILLE PROVISION CO.

ZANESVILLE, OHIO

Dear Mr. Blank:

In a friendly way we call your attention again to your account with us, amounting to \$81.25, which dates back to March 15.

We are sure you will realize that our margin of profit is small and that we must keep our accounts within the seven-day limit if we are to continue in business.

As you are one of our older customers, we have tried to be exceptionally lenient, but we would sincerely appreciate your making a special effort to get your account in line with our terms.

We appreciate and value your business, and feel sure you will be glad to co-operate in this matter.

Cordially yours,

*Bell Crosier*

Credit Department

## Tested Pulling Power: 80%

This combination of the fair-play and co-operation appeals produces remarkable returns from customers who have not responded to two previous reminders. Four of every five debtors who receive it pay their bills. This ratio is based upon the results of numerous sizable mailings.

"We attribute the success of this letter to its tone of fairness and its expression of confidence in the customer," says Miss Bell Crosier of the Credit Department. "In several instances," she reports, "customers have told our salesmen that they would like to use it in their own collection work."

The effectiveness of this letter is unquestionably due, in part, to the sound strategy of crediting the customer with a desire to play fair and a willingness to co-operate. An expression of confidence in the integrity and good intentions of a debtor naturally awakens his pride and thereby stimulates a favorable response. The letter also adds power to its request for payment by basing it upon a clear, courteous explanation of the circumstances that necessitate the careful observance of credit terms.

## VIII

### *An Ounce of Prevention*

ONCE I asked the credit manager of a large department store if he didn't think it a little inconsistent for business concerns to write so many collection reminders to slow-pay customers and so few notes of appreciation to patrons who always pay their bills promptly. "Not at all," he replied, "for the man who pays when his account is due is only fulfilling his part of the credit contract, while the one who does not pay on time should be glad to get mere letters instead of a notice of legal action."

This man had a keen sense of the logical but a poor concept of the psychological. One cannot question the truth of his statement, but its soundness as the basis of credit policy is another matter. The old adage that "a stitch in time saves nine" grew out of sad experience. Most collection correspondents, too, have had enough experience to know that it can be aptly applied to letters as well as to stitches. A little note of thanks to the customer who never requires collection effort is a painless and inexpensive vaccination against future delinquency—and it usually "takes." More than that, the "after-effect" of this kind of vaccination is very pleasant—it's a swollen sense of pride, not a swollen arm.

## AN OUNCE OF PREVENTION

The best time to ward off the credit disease known as delinquency is before it sets in, and the best preventive is the letter of appreciation for prompt payment. A number of progressive firms have made such a letter a full-fledged unit of their credit correspondence, with the result that their collection burdens have become appreciably lighter. No one is better qualified to pass judgment on the value of the "thank-you" letter than persons who have tested its effectiveness by actual use. Here are the comments of several alert business executives, accompanied by letters that they have mailed to their prompt-pay customers.

Mr. C. P. Younts, Credit Manager of the Frank T. Budge Company, Miami, Florida, has this to say: "The habit of promptness in paying his bills makes a customer valuable to us, and we find that the courtesy of recognition gives him a stronger incentive to continue this practice." Mr. Younts has found the following letter particularly effective:

Dear Mr. Blank:

As Credit Manager, most of the letters I write people about their accounts are requests for payment. This one is different.

Folks who pay their bills promptly are the salt of the earth. They help us keep our business on an even keel—help us pay our bills and meet our pay roll.

I think it just as important that we express our appreciation, especially when there are people nowadays who neglect the obligation of payment. Those who are slow get plenty of letters, but those who pay promptly—never a word.

So this is just to tell you that we appreciate and thank you for the promptness with which you meet our invoices.

Sincerely yours,



## SUCCESSFUL COLLECTION LETTERS

"The letter we send out the first of the year to prompt-pay customers causes more favorable comment than almost anything else we do during the year." This is the comment of Mr. E. F. Pettis, Secretary-Treasurer of J. L. Brandeis & Sons, Omaha, Nebraska. "It takes only a few minutes to let a good credit customer know that we appreciate his co-operation," Mr. Pettis continues, "and we have found it well worth while. Here is a letter that has produced splendid results for us."

Dear Mrs. Blank:

Has it ever occurred to you that a credit manager's chief joy in life is to contemplate the long list of people who settle their obligations promptly?

I have thought about this quite a bit recently and it seems to me that those who pay their bills "on the dot" should have a word of commendation now and then. I am just as grateful for your patronage as everyone else in this organization—from Mr. Brandeis down—and I want to let you know that I appreciate your prompt attention to your bills.

Contrary to what I believe is the usual idea of a credit man's duties—to keep after the "slow payers"—I conceive it my duty to see that the "prompt payers" are given every possible consideration to their charge needs.

Accordingly, I shall consider it a personal favor if you will let me know if we fall short in any way in looking after your requirements exactly as you would like to have us do. You are entitled to our very best service and I want to be sure that you receive it.

Cordially yours,

"Commending a customer on his past credit record helps to keep him on his toes in the future," says Mr.

## AN OUNCE OF PREVENTION

F. P. Dauber, Credit Manager of the United Autographic Register Company, Chicago, Illinois. "More than that," he continues, "we have positive proof that this practice has created goodwill for us. As evidence we have accumulated a sizable file of commentary letters from customers—all expressing their thanks for a message of appreciation that we mailed recently to prompt-pay accounts." Here is the letter that brought the enthusiastic response to which Mr. Dauber refers:

Dear Mr. Blank:

A credit man spends so much time and effort in saying "Please remit" that it's a real pleasure when he has the chance to say "Thank you."

That's why I get a real kick out of thanking you for the fine way you have handled your account.

If all customers were half as thoughtful and considerate as you have been, even a lowly credit man could occasionally go home to his family with a smile on his face and a song in his heart.

Sincerely yours,

"The appreciation letter is refreshing," points out Mr. J. M. Forbis, Credit Manager of the Forest Hill Dairy, Memphis, Tennessee. "It makes no attempt to collect money or to sell goods, and the absence of a selfish motive makes it distinctly different from the usual business letter. Such a message seldom fails to make a favorable and lasting impression upon the recipient." Mr. Forbis reports an excellent response to the following letter:

## SUCCESSFUL COLLECTION LETTERS

Dear Mrs. Blank:

Did you ever have the feeling that you were overlooking something important, but yet could not think what it was? So have I. But today I thought of it!

And this is it: A credit man, who is responsible for credit relations and collections, spends most of his time with a list of names that does not include such good customers as you. The most familiar names are those to whom he writes many letters.

When I glance at your account, I pass on with a genuine glow of satisfaction, knowing that your remittances follow your purchases like clockwork, without even a reminder from me.

When I consider all the letters I have been compelled to write during this year, it is a pleasure to write one voluntarily to a customer who, even in this present-day stress, has maintained such a high standard.

Perhaps it has never occurred to you what a joy such an account as yours is to a credit man.

So now my conscience feels better. Sincere appreciation and cordial good wishes to you.

Gratefully yours,

Mr. O. E. Dreutzer, Credit Manager of The Alms & Doepke Company, Cincinnati, Ohio, expresses his opinion in the form of a question: "The credit man is prone to take to task the slow-pay customer for his failure to perform according to terms, and quite properly so in most instances, but by the same token, why should he not be equally alert in giving due recognition by spoken or written word to those who, in the reverse order, are consistently prompt in retiring financial obligations?"<sup>1</sup>

<sup>1</sup> Both this quotation and the letter that follows are reprinted from "Credit: A Positive Force," by O. E. Dreutzer, *Credit and Financial Management*, July, 1936, by permission of the publishers (National Association of Credit Men) and the author.

## AN OUNCE OF PREVENTION

Mr. Dreutzer has found the following letter highly successful in stimulating "credit pride" and in strengthening the goodwill of retail merchants:

Dear Mr. Blank:

In the regular course of business I have little or no occasion to write to you, since your account does not necessitate correspondence from the Credit Department. So I wish to step from behind my desk for a moment and speak to you personally. I want to tell you just how much you have helped me in my particular field of activity for the house during the past year, as in other years, by the promptness with which you have followed your maturities and the consistency with which you have earned your discounts through both good times and bad.

I hope we have merited your confidence as fully as you have merited our high regard and enduring respect, and that we may rely on your wholehearted support in the future, as in the past, for bigger and better things to come.

Hère's hoping that 19— may be the banner year of your entire history.

Sincerely yours,

"I would rather have had that letter from your Credit Manager this morning than a thousand dollars in cash." So said the owner of a local neighborhood store when the Alms & Doepke salesman made his regular call that day. In addition, Mr. Dreutzer received many cordial letters of acknowledgment from customers in other business communities, and four of the firm's traveling representatives reported that retail merchants in their territories had shown the letter to them.

"No type of direct-mail effort has built more goodwill for us than the 'thank-you' letter to 'good-pay' customers." This is the comment of Mr. H. D. Jarvis, Credit

## SUCCESSFUL COLLECTION LETTERS

Manager of Burdine's, Inc., Miami, Florida. Mr. Jarvis continues: "This evidence that we have noticed their outstanding records no doubt prevents carelessness in the future handling of their accounts, and it certainly makes for a more cordial spirit in customer relations." Here is a Burdine letter of appreciation that brought forth a friendly verbal response from many patrons:

Dear Mrs. Blank:

This is exclusively a letter of thanks.

We have always appreciated the privilege of charge accounts like yours, not only because a large percentage of your purchases are made from Burdine's, but because of the highly satisfactory manner in which your account has always been handled.

The business community is supported by those who, as a matter of good business and personal pride, pay their accounts promptly and conduct their affairs conservatively.

We hope by this letter to convey to you something of the sincere appreciation we feel for your constant patronage and for the manner in which you have taken care of your charge account.

Our credit facilities and the services of our entire organization are at your disposal, and we hope we may have the pleasure of serving you even more frequently in the future.

Sincerely yours,

"We have found in our work that it pays substantial dividends to thank people for their co-operation." These are the words of Mr. R. William Peterson, Credit Manager of the Puget Sound Power & Light Company, Seattle, Washington. In commenting on the unique letter that follows, Mr. Peterson says: "This letter was mailed in considerable volume a few days before

## AN OUNCE OF PREVENTION

Christmas, and the results were very favorable. Many customers expressed appreciation at having been accorded this courtesy." The message appeared in green type below a special Christmas letterhead, and the signature was written in green ink.

Dear Mr. Blank:

\*  
\* \* \*

Sometimes,  
in the stress  
of daily business,  
we find ourselves over-  
looking some of the little  
courtesies that we should ex-  
tend to one another. So we want to  
tell you right now how much we appreciate  
the consistent promptness with which you have  
always taken care of your electric service account.

Your loyal support has been most encouraging to us, and  
you may be sure that this organization will continue to do  
its best to see that you receive every benefit within its power.

Please  
accept  
o u r  
sincere  
wishes

for a Happy Holiday Season  
' and a Prosperous New Year.

Cordially yours,

Mr. R. H. Poindexter, Credit Manager of Loveman,  
Berger & Teitlebaum, Inc., Nashville, Tennessee, feels

## SUCCESSFUL COLLECTION LETTERS

that "the customer who attends to his obligations promptly is entitled to an occasional word of recognition and compliment." "Too often," says Mr. Poindexter, "such a customer is forgotten in the stampede of collection reminders directed to the person who is not so reliable in meeting obligations. This letter was based on such a philosophy, and it brought us several written acknowledgments and a large number of verbal ones. We feel that it more than repaid us for its cost."

Dear Mrs. Blank:

It is, of course, the unhappy lot of a credit man to be required to remember some of his less pleasant experiences with the slower pay accounts, and unless careful, he may have a tendency to forget the many good accounts that are always paid on the dot.

Yours happens to be one of the accounts to whom we, in the credit department, never have the pleasure of writing. Your record with us has placed you in the appreciated though apparently neglected class of accounts who do not require "past-due" reminders.

So it seems to us very much in order to let you know that we are grateful, not only for the business you have given us, but for the manner in which payments have always been made.

It is a distinct pleasure and privilege to have you as a customer. We thank you for everything you have meant in the history of Loveman's and shall strive always to merit your confidence.

Sincerely yours.

Mr. M. E. Filson, Credit Manager of J. A. Folger & Company, Kansas City, Missouri, observes that "an appreciation letter to customers who regularly discount our invoices is a valuable means of building goodwill through our Credit and Collection Department." The

## AN OUNCE OF PREVENTION

letter that follows has developed goodwill and stimulated sales for J. A. Folger & Company:

Dear Mr. Blank:

It is a genuine pleasure to write this letter complimenting you on the splendid paying record you have established with Folger.

The fact that you consistently discount your Folger invoices indicates the careful attention you are giving to the operation of your business.

Likewise, your Folger sales indicate how alert you are in taking advantage of the increasing popularity of our Mountain Grown coffee—a product which is winning so many new friends each day.

We just want you to know how pleased we are over the way you are handling your Folger account.

We also want to join our representative in wishing you increasing success, not only with Folger's—but in every phase of the good work you are doing.

Cordially yours,

“This message of appreciation,” says Mr. Filson, “turned out to be one of the best sales letters we have used in years. Our salesmen reported that customers were very proud of it. Some of them even displayed it under the glass of their counters so that everyone could read it. Others kept it as a credit reference to be used when opening an account with a new supplier.”

Mr. A. R. Macoon, Secretary of J. E. Hink and Son, Berkeley, California, believes that “congratulating a customer on an enviable credit record is proper business etiquette and good business psychology.” In speaking of the following letter, Mr. Macoon reports: “We have had a number of replies from customers commenting favorably upon our letter, and also many verbal acknowl-



## SUCCESSFUL COLLECTION LETTERS

edgments. The one peculiarity about these verbal acknowledgments is that most of them have been made to the salespeople, department heads, and floor managers rather than to the Credit Department."

Dear Mrs. Blank:

For many years the Credit Granters of America have been trying to impress upon the buying public the advantages and justice of paying their bills promptly, and the unfairness of excessive return of merchandise.

During that time very little and certainly not enough recognition has been given to those who have consistently paid their obligations promptly without being requested to do so.

It is a privilege at this time to express to you, personally, an acknowledgment of the prompt manner in which you have always met any and all obligations, and your consideration of the return merchandise privilege.

We congratulate you on an enviable credit record at Hink's.

Cordially yours,

"An enthusiastic letter of appreciation to 'prompt-pay' customers is an excellent investment," says Mr. F. J. Fitzpatrick, Director of Credit Sales for the Kresge Department Store, Newark, New Jersey. "Don't overlook the fact that the prompt-paying customer deserves outspoken appreciation. A letter, perhaps at Christmas time (which is an ideal time) to your prompt-paying customers, telling them how much they are appreciated, will not only keep them in the prompt-paying class but will also build a lot of goodwill for the store."<sup>1</sup> Here is a letter that Mr. Fitzpatrick has found unusually effective:

<sup>1</sup> Reprinted from "Better Credit Letters," by F. J. Fitzpatrick, *Credit Management Year Book* (Vol. III, 1936), by permission of the publishers (National Retail Dry Goods Association) and the author.

## AN OUNCE OF PREVENTION

Dear Mr. Blank:

The dawn of the new year brings a welcome opportunity to express our appreciation for your patronage throughout the year just closed.

We sincerely hope that the use of your charge account during the last year has been as pleasurable to you as your patronage has been to us. In particular, we thank you for your consistent promptness in the payment of your account. Your splendid credit record has been a big factor in making 19— such an enjoyable year for us.

We look forward to a happy continuance of pleasant relations during the coming year and hope that it will provide many opportunities for us to serve you.

Sincerely yours,<sup>1</sup>

So much for the testimony of men who have had firsthand experience with letters of thanks for prompt payment. The evidence in favor of such letters is both consistent and conclusive.

And now, just for good measure, let's hear a few words from the fellow on the other end of the "thank-you" letter—the customer who receives it. How does such a letter affect him? That question is best answered by the enthusiastic replies that business concerns receive from customers whose habits of payment have been complimented. Here is an acknowledgment received by Mr. J. D. Kemper, Credit Sales Manager of Mandel Brothers, Chicago, Illinois:

Dear Mr. Kemper:

Thank you for your thoughtful letter.

It was good of you to thank me for paying my account promptly. I do not remember ever having received a similar letter before, although I usually pay my bills as soon as received.

It is most refreshing to realize that even "big business" can take time out to extend its appreciation to a good customer.

Sincerely yours,

<sup>1</sup> Reprinted, with variations, from "Better Credit Letters," by F. J. Fitzpatrick, *Credit Management Year Book* (Vol. III, 1936), by permission of the publishers (National Retail Dry Goods Association) and the author.

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That letter speaks volumes, don't you think? Mr. Kemper's message made such a "hit" with the customer that he sat down and replied to it. What an easy, yet effective, way to ensure prompt payment from that customer in the future! And what a potent effect Mr. Kemper's letter must have had as a goodwill builder!

If time and space permitted, I could give you many similar expressions of customer enthusiasm inspired by "thank-you" letters from wide-awake concerns. The letter just cited, however, is typical in both spirit and content.

So we'll pause for only two more examples, both of which are unique for two reasons. First, they show the responsive nature of the time-payment customer who is so often neglected when it comes to expressions of thanks from the creditor. Second, they represent comments directed not to the firms whose thoughtfulness inspired them, but to *The Credit World*, a magazine that publishes in each issue a number of outstanding letters dealing with credit relations. Although the letter specimens reprinted in this periodical are ordinarily submitted by the firms that use them, there have been two notable exceptions—the letters sent in by two consumers whose comments will follow presently. Each of these customers was so enthusiastic about the message of appreciation he had received for his prompt-pay record that he mailed the letter straight to *The Credit World*, with the suggestion that it be published as an outstanding example. One customer had received the following letter from Mr. E. E. Paddon, Credit Sales Manager of The Lammert Furniture Company, St. Louis, Missouri:<sup>1</sup>

<sup>1</sup> Both this letter and the comment that follows it are reprinted from *The Credit World*, August, 1938, by permission of the publishers (National Retail Credit Association).

## AN OUNCE OF PREVENTION

Dear Mr. ———:

As your account with us has now been adjusted, we are returning to you the note and contract you signed when placing your order with us.

In reviewing your account, we are deeply impressed with the prompt manner in which the various payments have been made.

We appreciate the scrupulous care that was necessary on your part to make the record so enviable, and our only regret is that the last payment has been made—that your account is inactive.

During the next few weeks, when you see the advertisements in the newspapers of beautiful things for your home, perhaps we can tempt you to reopen your account and give us the pleasure of serving you again. It is a real pleasure to do business with you.

Sincerely yours,

And here is the customer's own expression of his reaction to the letter: "This is the first letter of this type I have ever received, and I like it very much. Most stores don't even bother to say 'thank you' when you pay their bills, but this letter goes even further. It carries the same friendly courtesy of the credit manager which he accorded us when the account was opened. It has 'sold' me on that store and I intend to make future purchases of furniture at Lammert's."

The other consumer had received a similar message of appreciation from Mr. Peter M. Igoe, President of the Igoe House Furnishing Company, St. Louis, Missouri. Here is the content of his note to *The Credit World*:<sup>1</sup> "It was both a pleasure and an honor to receive this letter. It brought home to me the value of a good credit record. But it did more—it left a warm spot in my heart for Igoe's. Further than that, it did get results, for the

<sup>1</sup> Reprinted from *The Credit World*, September, 1938, by permission of the publishers (National Retail Credit Association).

## SUCCESSFUL COLLECTION LETTERS

following Saturday my wife and I went down to the store and made some additional purchases of household needs. That's definite proof that the letter was successful, isn't it?"

Can there be any doubt about the effect of these "thank-you" letters on their recipients? In addition to building goodwill, both letters strengthened the determination of their recipients to maintain their excellent credit standing in the future.

It's not only a courtesy but a wise business policy to encourage prompt-pay customers to keep their good credit records intact. A few words of commendation and thanks will repay their small cost many times over. So unusual is the experience of receiving a note of appreciation, instead of a sales or collection letter, that the average person remembers it for a long time.

When a man's always prompt in paying his bill,  
A letter of thanks will increase his goodwill.  
So why not express your appreciation  
For the way he meets every obligation?

He'll welcome your thoughtful commendation  
And want to maintain this friendly relation.  
He'll take new pride in his standing with you  
And continue the practice of paying when due.

When another depression strikes the nation  
And a boom gives way to a sudden deflation,  
Some of his creditors may have to wait,  
But his payments to you will never be late.

The compliment of a little attention  
Is a potent "ounce" of slow-pay prevention.  
Though times may be hard, he'll find some way  
To send you his payments without delay.

## IX

### *Persimmons or Persuasion?*

AS WE reach the end of this little book, the time has come to sum up briefly the qualities that make collection letters either helpful or harmful to the firms they represent. During our few hours together we have seen concrete examples of all these qualities, good and bad.

One group comprises the attributes of the letter that brings you a check while actually strengthening the customer's feeling of goodwill toward your firm. These qualities are the "seven C's" of collection correspondence—courtesy, conviction, character, consideration, cheerfulness, conciseness, and concreteness. No collection letter reaches the peak of its power until it becomes a smooth blend of these seven vital ingredients.

The other group of keynotes—the ones that collect little except resentment and antagonism—might be called the "insidious P's." And unfortunately, so far as frequency of recurrence is concerned, the P's have it. A large majority of the collection letters mailed each business day are the victims of intolerance, impudence, indirectness, indefiniteness, intimidation, "injured" tone, insolence, irrelevance, inane jargon, impatience, impoliteness, inexhaustible length, or impertinence. Any com-

## SUCCESSFUL COLLECTION LETTERS

bination of these negative characteristics adds two more *I*'s to the letter as a whole—incompetence and inadequacy. And the effect of such a letter produces the three most serious *I*'s of all—indignation, ill-will, and inactive accounts—which follow one another in the order named.

Soon after passing the itemized statement and simple reminder stages of collection work, one comes to a fork in the road. He must choose between two courses from that point on. One is the “through highway” to full payment of the account and continued pleasant relations. It is the course of patience, persuasion, and polite persistence. The other is a rocky road that turns out to be a “dead end.” It leads only to misunderstanding, hard feelings, and the termination of business dealings, sometimes by way of the courthouse. Shouldn't the choice between these two collection avenues be easy to make?

So even now, as we come to the end of our visit, I am still asking the same question that perplexed me when we met. Just why do so many firms—progressive ones in other ways—continue to compete with their own sales promotion efforts by mailing collection letters that alienate their established customers? Still I don't know the answer. If you do, please wire me collect.

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